



Reprinted
February 5, 2002

HOUSE BILL No. 1196

DIGEST OF HB 1196 (Updated February 4, 2002 4:40 PM - DI 103)

Citations Affected: IC 4-21.5; IC 6-1.1; IC 6-3.5; IC 6-9; IC 8-16; IC 13-21; IC 21-2; IC 33-3; IC 34-6; IC 36-2; IC 36-7; IC 36-8; noncode.

Synopsis: Property tax and budget matters. Makes various amendments for consistency with the change of assessed value to 100% of true tax value. Provides that certain cumulative fund rate adjustments apply for only one year after a general reassessment. Makes certain amendments with respect to excessive levy appeals. Provides that if a political subdivision does not fix the budget, tax rate, and tax levy for the ensuing budget year, the most recent annual budget and tax levy are continued for the ensuing budget year. Eliminates the requirement for a township trustee to advertise a poor relief tax rate. With respect to bonds and leases: (1) permits an objection petition to the department of local government finance only if a local objection petition was filed; (2) applies certain provisions for objection only if the project cost is more than \$2,000,000; and (3) requires a school corporation to disclose expected new facility operating costs and whether a levy appeal will be made to pay those costs. Makes other changes to property tax administration. Makes numerous changes concerning the independent reassessment of Lake County. Makes numerous changes to the county adjusted gross income tax, the county option income tax, and the county economic development income tax. Makes various changes to the professional sports and convention development tax area statutes. Updates population parameters to reflect changes in the 2000 decennial census. Increases the Vanderburgh County innkeeper's tax from 5% to 6%. Designates the revenue generated by the 1% increase to be used for: (1) operating expenses of the convention and visitors commission; and (2) tourism capital improvement.

Effective: July 1, 2001 (retroactive); January 1, 2002 (retroactive); upon passage; July 1, 2002; January 1, 2003.

Bauer, Welch

January 10, 2002, read first time and referred to Committee on Ways and Means.
January 30, 2002, amended, reported — Do Pass.
February 4, 2002, read second time, amended, ordered engrossed.

HB 1196—LS 7253/DI 52+



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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1196

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-21.5-5-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The
3 following ~~persons~~ have standing to obtain judicial review of an agency
4 action:

5 (1) A person to whom the agency action is specifically directed.

6 (2) A person who was a party to the agency proceedings that led
7 to the agency action.

8 (3) A person eligible for standing under a law applicable to the
9 agency action.

10 (4) A person otherwise aggrieved or adversely affected by the
11 agency action.

12 **(5) The department of local government finance with respect**
13 **to judicial review of a final determination of the Indiana**
14 **board of tax review in an action in which the department has**
15 **intervened under IC 6-1.1-15-5(b).**

16 (b) A person has standing under subsection (a)(4) only if:

17 (1) the agency action has prejudiced or is likely to prejudice the



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interests of the person;

(2) the person:

(A) was eligible for an initial notice of an order or proceeding under this article, was not notified of the order or proceeding in substantial compliance with this article, and did not have actual notice of the order or proceeding before the last date in the proceeding that the person could object or otherwise intervene to contest the agency action; or

(B) was qualified to intervene to contest an agency action under IC 4-21.5-3-21(a), petitioned for intervention in the proceeding, and was denied party status;

(3) the person's asserted interests are among those that the agency was required to consider when it engaged in the agency action challenged; and

(4) a judgment in favor of the person would substantially eliminate or redress the prejudice to the person caused or likely to be caused by the agency action.

SECTION 2. IC 6-1.1-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. The township assessor shall:

(1) examine and verify; or

(2) allow a contractor under IC 6-1.1-36-12 to examine and verify;

the accuracy of each personal property return filed with ~~him~~ **the township assessor** by a taxpayer. If appropriate, the assessor **or contractor under IC 6-1.1-36-12** shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

SECTION 3. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) ~~In making a general reassessment of land used for agriculture, the county assessor shall appoint a committee of five (5) competent persons to help determine land values. At least two (2) of the committee members must be agricultural land owners of the county. The committee shall be known as the county agricultural land advisory committee. The indicators of value determined by this committee shall be submitted to the tax commissioners' agricultural advisory council, as established under IC 6-1.1-38-1, as guides for ascertaining the value of agricultural land.~~

(c) (b) The state board of tax commissioners department of local



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government finance shall give written notice to each county assessor of:

- (1) the availability of the United States Department of Agriculture's soil survey data; and
- (2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land.

~~(d)~~ **(c)** The ~~state board of tax commissioners~~ **department of local government finance** shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

~~(e)~~ **(d)** This section does not apply to land purchased for industrial, commercial, or residential uses.

SECTION 4. IC 6-1.1-4-25, AS AMENDED BY P.L.198-2001, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) Each township assessor shall keep the assessor's reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. The township assessor's records shall at all times show the assessed value of real property in accordance with the provisions of this chapter. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

(b) The township assessor in a county having a consolidated city, or the county assessor in every other county, shall:

(1) maintain an electronic data file of:

(A) the parcel characteristics and parcel assessments of all parcels; **and**

(B) the personal property return characteristics and assessments by return;

for each township in the county as of each assessment date; ~~that~~ **is**

(2) maintain the file in the form required by:

(A) the legislative services agency; and

(B) the department of local government finance; and

~~(2)~~ **(3)** transmit the data **in the file** with respect to the assessment date of each year before October 1 of the year to:

(A) the legislative services agency; and

(B) the department of local government finance.

SECTION 5. IC 6-1.1-4-27.5, AS ADDED BY P.L.198-2001, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



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UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in the county's property reassessment fund.

(b) With respect to the general reassessment of real property which is to commence on July 1, 2004, the county council of each county shall, for property taxes due in the year in which the general reassessment is to commence and the two (2) years immediately preceding that year, levy against all the taxable property of the county an amount equal to one-third (1/3) of the estimated cost of the general reassessment.

(c) With respect to a general reassessment of real property that is to commence on July 1, 2008, and each fourth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the three (3) years preceding that year, levy against all the taxable property in the county an amount equal to one-fourth (1/4) of the estimated cost of the general reassessment.

(d) The state board of tax commissioners or the department of local government finance shall give to each county council notice, before January 1 **in a year** of the tax levies required by this section **for that year**.

(e) The state board of tax commissioners or the department of local government finance may raise or lower the property ~~taxes levied tax~~ **levy** under this section for a year if the state board or the department determines it is appropriate because the estimated cost of ~~the a~~ general reassessment, **including a general reassessment to be completed for the March 1, 2002, assessment date**, has changed.

(f) If the county council determines that there is insufficient money in the county's reassessment fund to pay all expenses (as permitted under ~~section sections 28 28.5 and 32~~ of this chapter) relating to the general reassessment of real property commencing July 1, 2000, the county may, for the purpose of paying expenses (as permitted under ~~section sections 28 28.5 and 32~~ of this chapter) relating to the general reassessment commencing July 1, 2000, use money deposited in the fund from ~~taxes levied in the tax levy under this section for 2000 or~~ a later year.

SECTION 6. IC 6-1.1-4-32, AS ADDED BY P.L.151-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) **As used in this section, "contract" refers to a contract entered into under this section.**



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(b) As used in this section, "contractor" refers to a firm that enters into a contract with the state board of tax commissioners (before January 1, 2002) or the department of local government finance (after December 31, 2001) under this section.

(c) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

~~(b)~~ (d) Notwithstanding ~~IC 6-1.1-4-15~~ sections 15 and ~~IC 6-1.1-4-17~~, 17 of this chapter a township assessor in a qualifying county may not appraise property, or have property appraised, for the general reassessment of real property to be completed for the March 1, 2002, assessment date. Completion of that general reassessment in a qualifying county is instead governed by this section. The only duty of:

(1) a township assessor in a qualifying county; or

(2) a county assessor of a qualifying county;

with respect to that general reassessment is to provide to the ~~state board~~ department of tax commissioners local government finance or the ~~state board's department's~~ contractor under subsection ~~(c)~~ (e) any support and information requested by the state board (before January 1, 2002), department (after December 31, 2001), or the contractor. This subsection expires June 30, 2004.

~~(c)~~ (e) The state board of tax commissioners (before January 1, 2002) and the department of local government finance (after December 31, 2001) shall select and contract with a nationally recognized certified public accounting firm with expertise in the appraisal of real property to appraise property for the general reassessment of real property in a qualifying county to be completed for the March 1, 2002, assessment date. The department of local government finance may enter into additional contracts to provide software or other auxiliary services to be used for the appraisal of property for the general reassessment. The contract applies for the appraisal of land and improvements with respect to all classes of real property in the qualifying county. The contract must include:

(1) a provision requiring the appraisal firm to:

(A) prepare a detailed report of:

(i) expenditures made after July 1, 1999, and before the date of the report from the qualifying county's reassessment fund under ~~IC 6-1.1-4-28~~; section 28 of this chapter (repealed);

and

(ii) the balance in the reassessment fund as of the date of the report; and

(B) file the report with:



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- 1 (i) the legislative body of the qualifying county;
- 2 (ii) the prosecuting attorney of the qualifying county;
- 3 (iii) the ~~state board department of tax commissioners;~~ **local**
- 4 **government finance;** and
- 5 (iv) the attorney general;
- 6 (2) a fixed date by which the appraisal firm must complete all
- 7 responsibilities under the contract;
- 8 (3) **subject to subsection (t),** a provision requiring the appraisal
- 9 firm to use the land values determined for the qualifying county
- 10 under ~~IC 6-1-1-4-13.6;~~ **section 13.6 of this chapter;**
- 11 (4) a penalty clause under which the amount to be paid for
- 12 appraisal services is decreased for failure to complete specified
- 13 services within the specified time;
- 14 (5) a provision requiring the appraisal firm to make periodic
- 15 reports to the ~~state board department of tax commissioners;~~ **local**
- 16 **government finance;**
- 17 (6) a provision stipulating the manner in which, and the time
- 18 intervals at which, the periodic reports referred to in subdivision
- 19 (5) are to be made;
- 20 (7) a precise stipulation of what service or services are to be
- 21 provided;
- 22 (8) a provision requiring the appraisal firm to deliver a report of
- 23 the assessed value of each parcel in a township in the qualifying
- 24 county to the ~~state board department of tax commissioners;~~ **local**
- 25 **government finance;** and
- 26 (9) any other provisions required by the ~~state board department~~
- 27 ~~of tax commissioners;~~ **local government finance.**
- 28 **After December 31, 2001, the department of local government**
- 29 **finance has all the powers and duties of the state board of tax**
- 30 **commissioners provided under a contract entered into under this**
- 31 **subsection (as effective before January 1, 2002) before January 1,**
- 32 **2002. The contract is valid to the same extent as if it were entered**
- 33 **into by the department of local government finance. However, a**
- 34 **reference in the contract to the state board of tax commissioners**
- 35 **shall be treated as a reference to the department of local**
- 36 **government finance. The contract shall be treated for all purposes,**
- 37 **including the application of IC 33-3-5-2.5, as the contract of the**
- 38 **department of local government finance. This subsection expires**
- 39 **June 30, 2004.**
- 40 ~~(d)~~ **(f) At least one (1) time each month, the contractors that will**
- 41 **make physical visits to the site of real property for reassessment**
- 42 **purposes shall publish a notice under IC 5-3-1 describing the areas**



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that are scheduled to be visited within the next thirty (30) days and explaining the purposes of the visit. The notice shall be published in a way to promote understanding of the purposes of the visit in the affected areas. After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (e), the state board department of tax commissioners local government finance shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment is subject to appeal by the taxpayer to the state Indiana board of tax commissioners. Except as provided in subsection (e), (g), the procedures and time limitations that apply to an appeal to the state Indiana board of tax commissioners of a determination of the county property tax assessment board of appeals under IC 6-1.1-15 apply to an appeal under this subsection. A determination by the state Indiana board of tax commissioners of an appeal under this subsection is subject to appeal to the tax court under IC 6-1.1-15. **This subsection expires on the later of June 30, 2004, or the date a final determination is entered in the last pending appeal filed under this subsection.**

(e) (g) In order to obtain a review by the state Indiana board of tax commissioners under subsection (d), (f), the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the state board department of tax commissioners local government finance is given to the taxpayer under subsection (d), (f). **This subsection expires June 30, 2004.**

(f) (h) The state board department of tax commissioners local government finance shall mail the notice required by subsection (d), (f) within ninety (90) days after the board department of local government finance receives the report for a parcel from the professional appraisal firm. **This subsection expires June 30, 2004.**

(g) (i) The qualifying county shall pay the cost of a any contract under this section shall be paid without appropriation from the county property reassessment fund. of the qualifying county established under IC 6-1.1-4-27. **However, the maximum amount that the qualifying county is obligated to pay for all contracts entered into under subsection (e) for the general reassessment of real property in the qualifying county to be completed for the March 1, 2002, assessment date is twenty-five million one hundred thousand dollars (\$25,100,000). A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a**



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contract if the contractor:

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;
- (2) obtains from the department of local government finance:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the qualifying county:
 - (A) a duplicate copy of the bill submitted to the department of local government finance;
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and
 - (C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection. This subsection expires June 30, 2004.



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(~~h~~) (j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the state board of tax commissioners **(before January 1, 2002) and the department of local government finance (after December 31, 2001)** under this section:

- (1) The commissioner of the **Indiana** department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.
- (4) The governor.

(~~i~~) (k) With respect to a general reassessment of real property to be completed under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** for an assessment date after the March 1, 2002, assessment date, the ~~state board department of tax commissioners~~ **local government finance** shall initiate a review with respect to the real property in a qualifying county or a township in a qualifying county, or a portion of the real property in a qualifying county or a township in a qualifying county. The ~~state board department of local government finance~~ may contract to have the review performed by an appraisal firm. The ~~state board department of local government finance~~ or its contractor shall determine for the real property under consideration and for the qualifying county or township the variance between:

- (1) the total assessed valuation of the real property within the qualifying county or township; and
- (2) the total assessed valuation that would result if the real property within the qualifying county or township were valued in the manner provided by law.

(~~j~~) (l) If:

- (1) the variance determined under subsection (~~i~~) (k) exceeds ten percent (10%); and
- (2) the ~~state board department of tax commissioners~~ **local government finance** determines after holding hearings on the matter that a special reassessment should be conducted;

the ~~state board department of local government finance~~ shall contract for a special reassessment by an appraisal firm to correct the valuation of the property.

(~~k~~) (m) If the variance determined under subsection (~~i~~) (k) is ten percent (10%) or less, the ~~state board department of tax commissioners~~ **local government finance** shall determine whether to correct the valuation of the property under:

- (1) sections 9 and 10 of this chapter; or
- (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.



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1 ~~(n)~~ **(n)** The ~~state board department of tax commissioners local~~
 2 **government finance** shall give notice by mail to a taxpayer of a
 3 hearing concerning the ~~state board's intent of the department of local~~
 4 **government finance** to cause the taxpayer's property to be reassessed
 5 under this section. The time fixed for the hearing must be at least ten
 6 (10) days after the day the notice is mailed. The ~~state board~~
 7 **department of local government finance** may conduct a single
 8 hearing under this section with respect to multiple properties. The
 9 notice must state:

- 10 (1) the time of the hearing;
 11 (2) the location of the hearing; and
 12 (3) that the purpose of the hearing is to hear taxpayers' comments
 13 and objections with respect to the ~~state board's intent of the~~
 14 **department of local government finance** to reassess property
 15 under this chapter.

16 ~~(m)~~ **(o)** If the ~~state board department of tax commissioners local~~
 17 **government finance** determines after the hearing that property should
 18 be reassessed under this section, the ~~state board department of local~~
 19 **government finance** shall:

- 20 (1) cause the property to be reassessed under this section;
 21 (2) mail a certified notice of its final determination to the county
 22 auditor of the qualifying county in which the property is located;
 23 and
 24 (3) notify the taxpayer by mail of its final determination.

25 ~~(n)~~ **(p)** A reassessment may be made under this section only if the
 26 notice of the final determination under subsection ~~(n)~~ **(n)** is given to the
 27 taxpayer within the same period prescribed in IC 6-1.1-9-3 or
 28 IC 6-1.1-9-4.

29 ~~(o)~~ **(q)** If the ~~state board department of tax commissioners local~~
 30 **government finance** contracts for a special reassessment of property
 31 under this section, the ~~state board shall forward the bill for services of~~
 32 **the contractor to the county auditor; and the qualifying** county shall
 33 pay the bill, **without appropriation**, from the county **property**
 34 reassessment fund. **A contractor may periodically submit bills for**
 35 **partial payment of work performed under a contract.**
 36 **Notwithstanding any other law, a contractor is entitled to payment**
 37 **under this subsection for work performed under a contract if the**
 38 **contractor:**

- 39 (1) **submits, in the form required by IC 5-11-10-1, a fully**
 40 **itemized, certified bill for the costs under the contract of the**
 41 **work performed to the department of local government**
 42 **finance for review;**



- 1 (2) obtains from the department of local government finance:
 2 (A) approval of the form and amount of the bill; and
 3 (B) a certification that the billed goods and services billed
 4 for payment have been received and comply with the
 5 contract; and
 6 (3) files with the county auditor of the qualifying county:
 7 (A) a duplicate copy of the bill submitted to the
 8 department of local government finance;
 9 (B) the proof of approval provided by the department of
 10 local government finance of the form and amount of the
 11 bill that was approved; and
 12 (C) the certification provided by the department of local
 13 government finance that indicates that the goods and
 14 services billed for payment have been received and comply
 15 with the contract.

16 An approval and a certification under subdivision (2) shall be
 17 treated as conclusively resolving the merits of the claim. Upon
 18 receipt of the documentation described in subdivision (3), the
 19 county auditor shall immediately certify that the bill is true and
 20 correct without further audit, publish the claim as required by
 21 IC 36-2-6-3, and submit the claim to the county executive of the
 22 qualifying county. The county executive shall allow the claim, in
 23 full, as approved by the department of local government finance
 24 without further examination of the merits of the claim in a regular
 25 or special session that is held not less than three (3) days and not
 26 more than seven (7) days after completion of the publication
 27 requirements under IC 36-2-6-3. Upon allowance of the claim by
 28 the county executive, the county auditor shall immediately issue a
 29 warrant or check for the full amount of the claim approved by the
 30 department of local government finance. Compliance with this
 31 subsection shall be treated as compliance with section 28.5 of this
 32 chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination
 33 and payment of a claim in compliance with this subsection is not
 34 subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9
 35 do not apply to a claim under this subsection. IC 5-11-10-1.6(d)
 36 applies to a fiscal officer who pays a claim in compliance with this
 37 subsection.

38 ~~(p)~~ (r) A township assessor in a qualifying county or a county
 39 assessor of a qualifying county shall provide information requested in
 40 writing by the ~~state board department of tax commissioners local~~
 41 ~~government finance~~ or the ~~state board's department's~~ contractor
 42 under this section not later than seven (7) days after receipt of the

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1 written request from the ~~state board~~ **department** or the contractor. If
 2 a township assessor or county assessor fails to provide the requested
 3 information within the time permitted in this subsection, the ~~state board~~
 4 **department of tax commissioners local government finance** or the
 5 ~~state board's department's~~ contractor may seek an order of the tax
 6 court under IC 33-3-5-2.5 for production of the information.

7 ~~(q)~~ (s) The provisions of this section are severable in the manner
 8 provided in IC 1-1-1-8(b).

9 (t) A contract entered into under subsection (e) is subject to this
 10 subsection. A contractor shall use the land values determined for
 11 the qualifying county under section 13.6 of this chapter to the
 12 extent that the contractor finds that the land values reflect the true
 13 tax value of land, as determined under the statutes and the rules of
 14 the department of local government finance. If the contractor finds
 15 that the land values determined for the qualifying county under
 16 section 13.6 of this chapter do not reflect the true tax value of land,
 17 the contractor shall determine land values for the qualifying
 18 county that reflect the true tax value of land, as determined under
 19 the statutes and the rules of the department of local government
 20 finance. The land values determined by the contractor shall be
 21 used to the same extent as if the land values had been determined
 22 under section 13.6 of this chapter. The contractor shall notify the
 23 county assessor and the township assessors in the qualifying county
 24 of the land values as modified under this subsection. This
 25 subsection expires June 30, 2004.

26 (u) A contractor acting under a contract under subsection (e)
 27 may notify the department of local government finance if:

28 (1) the county auditor fails to:

29 (A) certify the bill;

30 (B) publish the claim;

31 (C) submit the claim to the county executive; or

32 (D) issue a warrant or check;

33 as required in subsection (i) at the first opportunity the county
 34 auditor is legally permitted to do so;

35 (2) the county executive fails to allow the claim as required in
 36 subsection (i) at the first opportunity the county executive is
 37 legally permitted to do so; or

38 (3) a person or entity authorized to act on behalf of the county
 39 takes or fails to take an action, including failure to request an
 40 appropriation, and that action or failure to act delays or halts
 41 the process under this section for payment of a bill submitted
 42 by a contractor under subsection (i).



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1 This subsection expires June 30, 2004.

2 (v) The department of local government finance, upon receiving
3 notice under subsection (u) from the contractor, shall:

4 (1) verify the accuracy of the contractor's assertion in the
5 notice that:

6 (A) a failure occurred as described in subsection (b)(1) or
7 (b)(2); or

8 (B) a person or entity acted or failed to act as described in
9 subsection (b)(3); and

10 (2) provide to the treasurer of state the department of local
11 government finance's approval under subsection (i)(2)(A) of
12 the bill with respect to which the contractor gave notice under
13 subsection (u).

14 This subsection expires June 30, 2004.

15 (w) Upon receipt of the approval of the department of local
16 government finance under subsection (v), the treasurer of state
17 shall pay the contractor the amount of the bill approved by the
18 department of local government finance from money in the
19 possession of the state that would otherwise be available for
20 distribution to the qualifying county, including distributions from
21 the property tax replacement fund or distributions of admissions
22 taxes or wagering taxes. This subsection expires June 30, 2004.

23 (x) The treasurer of state shall withhold from the part
24 attributable to the county of the next distribution to the county
25 treasurer under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or
26 another law the amount of any payment made by the treasurer of
27 state to the contractor under subsection (w). Money shall be
28 deducted first from money payable under IC 6-1.1-21.4(b) and then
29 from all other funds payable to the qualifying county. This
30 subsection expires June 30, 2004.

31 (y) Compliance with subsections (u) through (x) shall be treated
32 as compliance with IC 5-11-10. This subsection expires June 30,
33 2004.

34 (z) IC 5-11-10-1.6(d) applies to the treasurer of state with
35 respect to the payment made in compliance with subsections (u)
36 through (x). This subsection and subsections (u) through (y) shall
37 be interpreted liberally so that the state shall, to the extent legally
38 valid, ensure that the contractual obligations of a county under this
39 section are paid. Nothing in this subsection or subsections (u)
40 through (y) shall be construed to create a debt of the state. This
41 subsection expires June 30, 2004.

42 SECTION 7. IC 6-1.1-5-9.1 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.1. (a) Except:

(1) as provided in subsection (b); and

(2) for civil townships described in section 9 of this chapter; and notwithstanding the provisions of sections 1 through 8 of this chapter, for all other civil townships having a population of thirty-five thousand (35,000) or more, **for a civil township that falls below a population of thirty-five thousand (35,000) at a federal decennial census that takes effect after December 31, 2001**, and for all other civil townships in which a city of the second class is located, the township assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter.

(b) In a civil township that attains a population of thirty-five thousand (35,000) or more at a federal decennial census that takes effect after December 31, 2001, the township assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter only if the county auditor and the township assessor agree to transfer the duty from the county auditor to the township assessor.

(c) With respect to ~~these~~ townships in which the township assessor makes the real property lists and the plats described in sections 1 through 8 of this chapter, the county auditor shall, upon completing the tax duplicate, return the real property lists to the township assessor for the continuation of the lists by the assessor. If land located in one (1) of these townships is platted, the plat shall be presented to the township assessor instead of the county auditor, before it is recorded. The township assessor shall then enter the lots or parcels described in the plat on the tax lists in lieu of the land included in the plat.

SECTION 8. IC 6-1.1-5.5-4, AS AMENDED BY P.L.198-2001, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) A person filing a sales disclosure form under this chapter shall pay a fee of five dollars (\$5) to the county auditor.

(b) Eighty percent (80%) of the revenue collected under this section and section 12 of this chapter shall be deposited in the county sales disclosure fund established under section 4.5 of this chapter. Twenty percent (20%) of the revenue shall be transferred to the state treasurer for deposit in the state assessment training fund established under section 4.7 of this chapter.

SECTION 9. IC 6-1.1-5.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) A person who knowingly and intentionally:

(1) falsifies the value of transferred real property; or



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(2) omits or falsifies any information required to be provided in the sales disclosure form;

commits a Class A ~~infraction~~ **misdemeanor**.

(b) A public official who knowingly and intentionally accepts:

(1) a sales disclosure document for filing that:

(A) falsifies the value of transferred real property; or

(B) omits or falsifies any information required to be provided in the sales disclosure form; or

(2) a conveyance document for recording in violation of section 6 of this chapter;

commits a Class A infraction.

SECTION 10. IC 6-1.1-5.5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 12. (a) A party to a conveyance who:**

(1) is required to file a sales disclosure form under this chapter; and

(2) fails to file a sales disclosure form at the time and in the manner required by this chapter;

is subject to a penalty in the amount determined under subsection (b).

(b) The amount of the penalty under subsection (a) is the greater of:

(1) twenty-five dollars (\$25); or

(2) twenty five thousandths of one percent (.025%) of the sale price of the real property transferred under the conveyance document.

(c) The county assessor shall:

(1) determine the penalty imposed under this section;

(2) assess the penalty to the party to a conveyance;

(3) notify the party to the conveyance that the penalty is payable not later than thirty (30) days after notice of the assessment;

(4) collect the penalty;

(5) deposit penalty collections as required under section 4 of this chapter; and

(6) notify the county prosecuting attorney of delinquent payments.

(d) The county prosecuting attorney shall initiate an action to recover a delinquent penalty under this section. In a successful action against a person for a delinquent penalty, the court shall award the county prosecuting attorney reasonable attorney's fees.



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SECTION 11. IC 6-1.1-8-30, AS AMENDED BY P.L.198-2001, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 30. If a public utility company files its objections to the department of local government finance's tentative assessment of the company's distributable property in the manner prescribed in section 28 of this chapter, the company may initiate an appeal of the department's final assessment of that property by filing a petition with the Indiana board not more than ~~twenty (20)~~ **forty-five (45)** days after the department gives the public utility notice of the final determination. The public utility may petition for judicial review of the Indiana board's final determination to the tax court under IC 4-21.5-5. However, the company must:

- (1) **file a verified** petition for judicial review; and
- (2) mail to the county auditor of each county in which the public utility company's distributable property is located:
 - (A) a notice that the complaint was filed; and
 - (B) instructions for obtaining a copy of the complaint;

within ~~twenty (20)~~ **forty-five (45)** days after the date of the notice of the Indiana board's final determination.

SECTION 12. IC 6-1.1-10-21, AS AMENDED BY P.L.198-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

- (1) A building which is used for religious worship.
- (2) Buildings that are used as parsonages.
- (3) The pews and furniture contained within a building which is used for religious worship.
- (4) The tract of land, not exceeding ~~fifteen (15)~~ **fifty (50)** acres, upon which a building described in this section is situated.

(b) To obtain an exemption for parsonages, a church or religious society must provide the county auditor with an affidavit at the time the church or religious society applies for the exemptions. The affidavit must state that:

- (1) all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
- (2) none of the parsonages are being used to make a profit.

The affidavit shall be signed under oath by the church's or religious society's head rabbi, priest, preacher, minister, or pastor. The county auditor shall immediately forward a copy of the affidavit to the county assessor.



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(c) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

SECTION 13. IC 6-1.1-11-3, AS AMENDED BY P.L.198-2001, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) An owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the ~~auditor~~ **county assessor** of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before May 15 on forms prescribed by the department of local government finance. ~~The county auditor shall immediately forward a copy of the certified application to the county assessor.~~ Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

- (1) A description of the property claimed to be exempt in sufficient detail to afford identification.
- (2) A statement showing the ownership, possession, and use of the property.
- (3) The grounds for claiming the exemption.
- (4) The full name and address of the applicant.
- (5) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

SECTION 14. IC 6-1.1-15-1, AS AMENDED BY P.L.198-2001, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals.



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At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for review under this section; and
- (2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the assessor of the county in which the action is taken:

- (1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or
- (2) May 10 of that year;

whichever is later. The county assessor shall notify the county auditor that the assessment is under appeal.

(c) A change in an assessment made as a result of an appeal filed:

- (1) in the same year that notice of a change in the assessment is given to the taxpayer; and
- (2) after the time prescribed in subsection (b);

becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The department of local government finance shall prescribe the form of the petition for review of an assessment determination by a township assessor. The department shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the department. The form must require the petitioner to specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination.
- (2) All other facts relevant to the assessment determination.
- (3) The reasons why the petitioner believes that the assessment determination by the township assessor is erroneous.

(f) The department of local government finance shall prescribe a form for a response by the township assessor to the petition for review of an assessment determination. The department shall issue instructions

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1 for completion of the form. The form must require the township
2 assessor to indicate:

3 (1) agreement or disagreement with each item indicated on the
4 petition under subsection (e); and

5 (2) the reasons why the assessor believes that the assessment
6 determination is correct.

7 (g) Immediately upon receipt of a timely filed petition on the form
8 prescribed under subsection (e), the county assessor shall forward a
9 copy of the petition to the township assessor who made the challenged
10 assessment. The township assessor shall, within thirty (30) days after
11 the receipt of the petition, attempt to hold a preliminary conference
12 with the petitioner and resolve as many issues as possible. Within ten
13 (10) days after the conference, the township assessor shall forward to
14 the county auditor and county assessor a completed response to the
15 petition on the form prescribed under subsection (f). The county
16 assessor shall immediately forward a copy of the response form to the
17 petitioner and the county property tax assessment board of appeals. **If**
18 **after the conference there are no items listed in the petition on**
19 **which there is disagreement, the property tax assessment board of**
20 **appeals may hold a hearing within ninety (90) days after the filing**
21 **of the petition to review the agreement reached by the township**
22 **assessor and the petitioner and to determine whether to change the**
23 **assessment that would result from that agreement.** If after the
24 conference there are items listed in the petition on which there is
25 disagreement, the property tax assessment board of appeals shall hold
26 a hearing within ninety (90) days of the filing of the petition on those
27 items of disagreement, except as provided in ~~subsection~~ **subsections**
28 **(h) and (i).** The taxpayer may present the taxpayer's reasons for
29 disagreement with the assessment. **If the township assessor or county**
30 **assessor for the county disagrees with the assessment, the township**
31 **assessor or county assessor** must present the basis for the assessment
32 decision on ~~these the~~ **items of disagreement** to the board of appeals at
33 the hearing and the reasons the petitioner's appeal should be denied on
34 those items. The board of appeals shall have a written record of the
35 hearing and prepare a written statement of findings and a decision on
36 each item within sixty (60) days of the hearing, except as provided in
37 ~~subsection~~ **subsections (h) and (i).** If the township assessor does not
38 attempt to hold a preliminary conference, the board shall accept the
39 appeal of the petitioner at the hearing.

40 (h) This subsection applies to a county having a population of more
41 than three hundred thousand (300,000). In the case of a petition filed
42 after December 31, 2000, the county property tax assessment board of

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appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

(i) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

(j) The county property tax assessment board of appeals:

(1) may not require a taxpayer that files a petition for review under this section to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g); and

(2) may require the parties to the appeal to file not more than ten (10) days before the date of the hearing required under subsection (g) lists of witnesses and exhibits to be introduced at the hearing.

SECTION 15. IC 6-1.1-15-5, AS AMENDED BY P.L.198-2001, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Within fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing within fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:



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(1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and

(2) shall issue a final determination within ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

Failure of the Indiana board to make a final determination within the time allowed under subdivision (2) shall be treated as a final determination affirming the original decision of the Indiana board.

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the reassessment fund under IC 6-1.1-4-27. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. **The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A:**

(1) township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section; or

(2) county auditor who made the original enterprise zone inventory credit determination under appeal under IC 6-1.1-20.8; is a party to the review under this section to defend the determination.

(c) To initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) within:

(1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or

(2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

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(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(f) or 4(g) of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor or elected township assessor. If the county executive determines upon a request under this subsection to not appeal to the tax court, the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget.

SECTION 16. IC 6-1.1-15-8, AS AMENDED BY P.L.198-2001, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If a final determination by the Indiana board regarding the assessment of any tangible property is vacated, set aside, or adjudged null and void under the decision of the tax court under IC 4-21.5-5, the matter of the assessment of the property shall be remanded to the Indiana board for reassessment and further proceedings as specified in the decision of the tax court with instructions to the Indiana board to refer the matter to the:

(1) department of local government finance with respect to an appeal of a determination made by the department; or

(2) county property tax assessment board of appeals with respect to an appeal of a determination made by the county board;

to make another assessment. Upon remand, the Indiana board may take action only on those issues specified in the decision of the tax court.

(b) The Indiana board department of local government finance or the county property tax assessment board of appeals shall take action on a case remanded referred to it by the tax court Indiana board under subsection (a) not later than ninety (90) days after the date the decision of the tax court is rendered; referral is made unless an appeal of the final determination of the Indiana board is initiated under IC 4-21.5-5-16. The Indiana board department of local government finance or the county property tax assessment board of appeals may petition the tax court Indiana board at any time for an extension of the ninety (90) day period. An extension shall be granted upon a showing of reasonable cause.

(c) The taxpayer in a case remanded under subsection (a) may petition the tax court for an order requiring the Indiana board department of local government finance or the county property tax

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1 **assessment board of appeals** to show cause why action has not been
 2 taken pursuant to the ~~tax court's decision~~ **Indiana board's referral**
 3 **under subsection (a)** if:

4 (1) at least ninety (90) days have elapsed since the ~~tax court's~~
 5 ~~decision referral~~ **was rendered; made;**

6 (2) the ~~Indiana board~~ **department of local government finance**
 7 **or the county property tax assessment board of appeals** has
 8 not taken action on the issues specified in the tax court's decision;
 9 and

10 (3) an appeal of the tax court's decision has not been filed.

11 (d) If a case remanded under subsection (a) is appealed under
 12 IC 4-21.5-5-16, the ninety (90) day period provided in subsection (b)
 13 is tolled until the appeal is concluded.

14 SECTION 17. IC 6-1.1-15-9, AS AMENDED BY P.L.198-2001,
 15 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 UPON PASSAGE]: Sec. 9. (a) If the assessment of tangible property
 17 is corrected by the ~~Indiana board~~ **department of local government**
 18 **finance or the county property tax assessment board of appeals**
 19 under section 8 of this chapter, the owner of the property has a right to
 20 appeal the ~~Indiana board's~~ final determination of the corrected
 21 assessment ~~in a case meeting the requirements of section 5(c)(1) or~~
 22 ~~5(c)(2) of this chapter, to the Indiana board.~~ The county executive
 23 also has a right to appeal the ~~Indiana board's~~ final determination of the
 24 reassessment **by the department of local government finance or the**
 25 **county property tax assessment board of appeals** but only upon
 26 request by the county assessor.

27 (b) An appeal under this section must be initiated in the manner
 28 prescribed in section ~~5 3~~ of this chapter **or IC 6-1.5-5.**

29 SECTION 18. IC 6-1.1-17-3 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) The proper
 31 officers of a political subdivision shall formulate its estimated budget
 32 and its proposed tax rate and tax levy on the form prescribed by the
 33 ~~state board of tax commissioners~~ **department of local government**
 34 **finance** and approved by the state board of accounts. The political
 35 subdivision shall give notice by publication to taxpayers of:

36 (1) the estimated budget;

37 (2) the estimated maximum permissible levy;

38 (3) the current and proposed tax levies of each fund; and

39 (4) the amounts of excessive levy appeals to be requested.

40 In the notice, the political subdivision shall also state the time and
 41 place at which a public hearing will be held on these items. The notice
 42 shall be published twice in accordance with IC 5-3-1 with the first

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publication at least ten (10) days before the date fixed for the public hearing.

(b) The trustee of each township of the county shall:

- (1) estimate the amount necessary to meet the cost of poor relief in the township for the ensuing calendar year; and
- (2) publish with the township budget a tax rate sufficient to meet the estimated cost of poor relief.

The taxes collected as a result of this rate shall be credited to the county poor fund.

(c) (b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

SECTION 19. IC 6-1.1-17-5, AS AMENDED BY P.L.178-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

- (1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.
- (2) The fiscal body of a second class city, not later than September 30.
- (3) The board of school trustees of a school corporation that is located in a city having a population of more than ~~ninety thousand (90,000)~~ but less than ~~one hundred ten thousand (110,000)~~; **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000)**, not later than the time required in section 5.6 of this chapter.
- (4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political

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subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 20. IC 6-1.1-17-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. **(a) Except as provided in subsection (b),** ten (10) or more taxpayers may initiate an appeal from the county board of tax adjustment's action on a political subdivision's budget by filing a statement of their objections with the county auditor. The statement must be filed within ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget and tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the ~~state board of tax commissioners~~. **department of local government finance.**

(b) This subsection applies to provisions of the budget and tax levy of a political subdivision:

(1) against which an objection petition was filed under section



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1 **5(b) of this chapter; and**

2 **(2) that were not changed by the fiscal body of the political**
 3 **subdivision after hearing the objections.**

4 **A group of ten (10) or more taxpayers may not initiate an appeal**
 5 **under subsection (a) against provisions of the budget and tax levy**
 6 **if less than seventy-five percent (75%) of the objecting taxpayers**
 7 **with respect to the objection petition filed under section 5(b) of this**
 8 **chapter were objecting taxpayers with respect to the objection**
 9 **statement filed under subsection (a) against those provisions.**

10 SECTION 21. IC 6-1.1-18.5-9.8 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9.8. (a) For purposes
 12 of determining the property tax levy limit imposed on a city, town, or
 13 county under section 3 of this chapter, the city, town, or county's ad
 14 valorem property tax levy for a particular calendar year does not
 15 include an amount equal to the lesser of:

16 (1) the amount of ad valorem property taxes that would be first
 17 due and payable to the city, town, or county during the ensuing
 18 calendar year if the taxing unit imposed the maximum permissible
 19 property tax rate per one hundred dollars (\$100) of assessed
 20 valuation that the civil taxing unit may impose for the particular
 21 calendar year under the authority of IC 36-9-14.5 (in the case of
 22 a county) or IC 36-9-15.5 (in the case of a city or town); or

23 (2) the excess, if any, of:

24 (A) the property taxes imposed by the city, town, or county
 25 under the authority of:

26 IC 3-11-6-9;

27 IC 8-16-3;

28 IC 8-16-3.1;

29 IC 8-22-3-25;

30 IC 14-27-6-48;

31 IC 14-33-9-3;

32 IC 16-22-8-41;

33 IC 16-22-5-2 through IC 16-22-5-15;

34 IC 16-23-1-40;

35 IC 36-8-14;

36 IC 36-9-4-48;

37 IC 36-9-14;

38 IC 36-9-14.5;

39 IC 36-9-15;

40 IC 36-9-15.5;

41 IC 36-9-16;

42 IC 36-9-16.5;



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1 IC 36-9-17;
 2 IC 36-9-26;
 3 IC 36-9-27-100;
 4 IC 36-10-3-21; or
 5 IC 36-10-4-36;
 6 that are first due and payable during the ensuing calendar year;
 7 over
 8 (B) the property taxes imposed by the city, town, or county
 9 under the authority of the citations listed in clause (A) that
 10 were first due and payable during calendar year 1984.
 11 (b) The maximum property tax rate levied under the statutes listed
 12 in subsection (a) must be adjusted each time a general reassessment of
 13 property takes effect **for taxes payable in the year that immediately**
 14 **succeeds the year in which the general reassessment of property**
 15 **takes effect. The maximum property tax rate levied under a statute**
 16 **listed in subsection (a) applies for taxes payable in any other year.**
 17 (c) The ~~new~~ maximum rate under a statute listed in subsection (a)
 18 **for taxes payable in the year that immediately succeeds the year in**
 19 **which the general reassessment of property takes effect** is the tax
 20 rate determined under STEP SEVEN of the following formula:
 21 STEP ONE: Determine the maximum rate for the political
 22 subdivision levying a property tax under the statute for the year
 23 preceding the year in which the general reassessment takes effect.
 24 STEP TWO: Determine the actual percentage increase (rounded
 25 to the nearest one-hundredth percent (0.01%)) in the assessed
 26 value of the taxable property from the year preceding the year the
 27 general reassessment takes effect to the year that the general
 28 reassessment is effective.
 29 STEP THREE: Determine the three (3) calendar years that
 30 immediately precede the ensuing calendar year and in which a
 31 statewide general reassessment of real property does not first
 32 become effective.
 33 STEP FOUR: Compute separately, for each of the calendar years
 34 determined in STEP THREE, the actual percentage increase
 35 (rounded to the nearest one-hundredth percent (0.01%)) in the
 36 assessed value of the taxable property from the preceding year.
 37 STEP FIVE: Divide the sum of the three (3) quotients computed
 38 in STEP FOUR by three (3).
 39 STEP SIX: Determine the greater of the following:
 40 (A) Zero (0).
 41 (B) The result of the STEP TWO percentage minus the STEP
 42 FIVE percentage.



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1 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 2 divided by the sum of one (1) plus the STEP SIX percentage
 3 increase.

4 (d) The ~~state board of tax commissioners~~ **department of local**
 5 **government finance** shall compute the maximum rate allowed under
 6 subsection (c) and provide the rate to each political subdivision with
 7 authority to levy a tax under a statute listed in subsection (a).

8 SECTION 22. IC 6-1.1-18.5-12 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) Any civil taxing
 10 unit that determines that it cannot carry out its governmental functions
 11 for an ensuing calendar year under the levy limitations imposed by
 12 section 3 of this chapter may, before ~~October 2~~ **September 20** of the
 13 calendar year immediately preceding the ensuing calendar year, appeal
 14 to the ~~state board of tax commissioners~~ **department of local**
 15 **government finance** for relief from those levy limitations. In the
 16 appeal the civil taxing unit must state that it will be unable to carry out
 17 the governmental functions committed to it by law unless it is given the
 18 authority that it is petitioning for. The civil taxing unit must support
 19 these allegations by reasonably detailed statements of fact.

20 (b) The ~~state tax board of commissioners~~ **department of local**
 21 **government finance** shall promptly deliver to the local government tax
 22 control board every appeal petition it receives under subsection (a) and
 23 any materials it receives relevant to those appeals. Upon receipt of an
 24 appeal petition, the local government tax control board shall
 25 immediately proceed to the examination and consideration of the merits
 26 of the civil taxing unit's appeal.

27 (c) In considering an appeal, the local government tax control board
 28 has the power to conduct hearings, require any officer or member of the
 29 appealing civil taxing unit to appear before it, or require any officer or
 30 member of the appealing civil taxing unit to provide the board with any
 31 relevant records or books.

32 (d) If an officer or member:

33 (1) fails to appear at a hearing of the local government tax control
 34 board after having been given written notice from the local
 35 government tax control board requiring his attendance; or

36 (2) fails to produce for the local government tax control board's
 37 use the books and records that the local government tax control
 38 board by written notice required the officer or member to
 39 produce;

40 then the local government tax control board may file an affidavit in the
 41 circuit court in the jurisdiction in which the officer or member may be
 42 found setting forth the facts of the failure.



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(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons must command the officer or member to appear before the local government tax control board, to provide information to the local government tax control board, or to produce books and records for the local government tax control board's use, as the case may be. Disobedience of the summons constitutes, and is punishable as, a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of an affidavit under subsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

SECTION 23. IC 6-1.1-19-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A county board of tax adjustment may not approve or recommend the approval of an excessive tax levy.

(b) If a school corporation adopts or advertises an excessive tax levy, the county board of tax adjustment which reviews the school corporation's budget, tax levy, and tax rate shall reduce the excessive tax levy to the maximum normal tax levy.

(c) If a county board of tax adjustment approves, or recommends the approval of, an excessive tax levy for a school corporation, the auditor of the county for which the county board is acting shall reduce the excessive tax levy to the maximum normal tax levy. Such a reduction shall be set out in the notice required to be published by the auditor under IC 6-1.1-17-12, and an appeal shall be permitted therefrom as provided under IC 6-1.1-17 as modified by this chapter.

(d) Appeals from any action of a county board of tax adjustment or county auditor in respect of a school corporation's budget, tax levy, or tax rate may be taken as provided for by IC 6-1.1-17. Notwithstanding IC 6-1.1-17, a school corporation may appeal to the **state board of tax commissioners department of local government finance** for emergency financial relief for the ensuing calendar year at any time **after the budget, tax rate, and tax levy of the school corporation are fixed under IC 6-1.1-17-5, but not later than twenty (20) days after the county auditor publishes notice under IC 6-1.1-17-12 of the tax rate to**

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1 be charged in the school corporation for before September 20 of the
2 calendar year immediately preceding the ensuing calendar year.

3 (e) In the appeal petition in which a school corporation seeks
4 emergency financial relief, the appellant school corporation shall allege
5 that, unless it is given the emergency financial relief for which it
6 petitions, it will be unable to carry out, in the ensuing calendar year, the
7 public educational duty committed to it by law, and it shall support that
8 allegation by reasonably detailed statements of fact.

9 (f) When an appeal petition in which a school corporation petitions
10 for emergency financial relief is filed with the ~~state board of tax~~
11 ~~commissioners, department of local government finance, the board~~
12 ~~department~~ shall include, in the notice of the hearing in respect of the
13 petition that it is required to give under IC 6-1.1-17-16, a statement to
14 the effect that the appellant school corporation is seeking emergency
15 financial relief for the ensuing calendar year. A subsequent action
16 taken by the ~~state board of tax commissioners department of local~~
17 ~~government finance~~ in respect of such an appeal petition is not
18 invalid, however, or otherwise affected, if the ~~board department~~ fails
19 to include such a statement in the hearing notice.

20 SECTION 24. IC 6-1.1-20-1.1 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1.1. As used in this
22 chapter, "controlled project" means any project financed by bonds or
23 a lease, except for the following:

24 (1) A project for which the political subdivision reasonably
25 expects to pay:

26 (A) debt service; or

27 (B) lease rentals;

28 from funds other than property taxes that are exempt from the
29 levy limitations of IC 6-1.1-18.5 or IC 6-1.1-19. A project is not
30 a controlled project even though the political subdivision has
31 pledged to levy property taxes to pay the debt service or lease
32 rentals if those other funds are insufficient.

33 (2) A project that will not ~~obligate cost~~ the political subdivision
34 ~~to more than two million dollars (\$2,000,000). in debt service or~~
35 ~~lease rentals.~~

36 (3) A project that is being refinanced for the purpose of providing
37 gross or net present value savings to taxpayers.

38 (4) A project for which bonds were issued or leases were entered
39 into before January 1, 1996, or where the state board of tax
40 commissioners has approved the issuance of bonds or the
41 execution of leases before January 1, 1996.

42 (5) A project that is required by a court order holding that a

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federal law mandates the project.

SECTION 25. IC 6-1.1-20-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.1. A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of real property within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;



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the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased adjusted base levy to pay the estimated costs described in clause (F).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) two hundred fifty (250) owners of real property within the political subdivision; or

(B) ten percent (10%) of the owners of real property within the political subdivision.

(5) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county auditor under subdivision (6).

(6) Each petition must be filed with the county auditor not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(7) The county auditor must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within fifteen (15) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 26. IC 6-1.1-20-3.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:



(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition or remonstrance forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition and remonstrance



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1 period.

2 Persons requesting forms may not be required to identify

3 themselves and may be allowed to pick up additional copies to

4 distribute to other property owners. The county auditor may not

5 issue a petition or remonstrance form earlier than twenty-nine

6 (29) days after the notice is given under subdivision (1). The

7 county auditor shall certify the date of issuance on each petition

8 or remonstrance form that is distributed under this subdivision.

9 (4) The petitions and remonstrances must be verified in the

10 manner prescribed by the state board of accounts and filed with

11 the county auditor within the sixty (60) day period described in

12 subdivision (2) in the manner set forth in section 3.1 of this

13 chapter relating to requests for a petition and remonstrance

14 process.

15 (5) The county auditor must file a certificate and the petition or

16 remonstrance with the body of the political subdivision charged

17 with issuing bonds or entering into leases within fifteen (15)

18 business days of the filing of a petition or remonstrance under

19 subdivision (4), whichever applies, containing ten thousand

20 (10,000) signatures or less. The county auditor may take an

21 additional five (5) days to review and certify the petition or

22 remonstrance for each additional five thousand (5,000) signatures

23 up to a maximum of sixty (60) days. The certificate must state the

24 number of petitioners and remonstrators that are owners of real

25 property within the political subdivision.

26 (6) If a greater number of owners of real property within the

27 political subdivision sign a remonstrance than the number that

28 signed a petition, the bonds petitioned for may not be issued or

29 the lease petitioned for may not be entered into. The proper

30 officers of the political subdivision may not make a preliminary

31 determination to issue bonds or enter into a lease for the

32 controlled project defeated by the petition and remonstrance

33 process under this section or any other controlled project that is

34 not substantially different within one (1) year after the date of the

35 county auditor's certificate under subdivision (5). Withdrawal of

36 a petition carries the same consequences as a defeat of the

37 petition.

38 (7) After a political subdivision has gone through the petition and

39 remonstrance process set forth in this section, the political

40 subdivision is not required to follow any other remonstrance or

41 objection procedures under any other law **(including section 5 of**

42 **this chapter)** relating to bonds or leases designed to protect

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owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the state board of tax commissioners required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 27. IC 6-1.1-26-2, AS AMENDED BY P.L.198-2001, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The county auditor shall forward a claim for refund filed under section 1 of this chapter to the department of local government finance for review by the department if:

(1) the claim is for the refund of taxes paid on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance; and

(2) the claim is based upon the grounds specified in IC 6-1.1-26-1(4)(ii) or IC 6-1.1-26-1(4)(iii).

(b) The department of local government finance shall review each refund claim forwarded to it under this section. The department shall certify its approval or disapproval on the claim and shall return the claim to the county auditor.

(c) Before the department of local government finance disapproves a refund claim that is forwarded to it under this section, the department shall notify the claimant of its intention to disapprove the claim and of the time and place fixed for a hearing on the claim. The department shall hold the hearing within thirty (30) days after the date of the notice. The claimant has a right to be heard at the hearing. After the hearing, the department shall give the claimant notice of the department's final determination on the claim.

(d) If a person desires to initiate an appeal of the final determination of the department of local government finance to disapprove a claim under subsection (c), the person shall file a petition for review with the ~~Indiana board~~ **appropriate county assessor** not more than forty-five (45) days after the department gives the person notice of the final determination.

(e) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under subsection (d), the person must petition for judicial review under IC 4-21.5-5 not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 28. IC 6-1.1-26-5, AS AMENDED BY P.L.198-2001, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 5. (a) When a claim for

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1 refund filed under section 1 of this chapter is allowed either by the
 2 county board of commissioners, the department of local government
 3 finance, the Indiana board, or the Indiana tax court on appeal, the
 4 claimant is entitled to a refund. The amount of the refund shall equal
 5 the amount of the claim so allowed plus, with respect to claims for
 6 refund filed after ~~June 30~~, **December 31**, 2001, interest at four percent
 7 (4%) from the date on which the taxes were paid or payable, whichever
 8 is later, to the date of the refund. The county auditor shall, without an
 9 appropriation being required, issue a warrant to the claimant payable
 10 from the county general fund for the amount due the claimant under
 11 this section.

12 (b) In the June or December settlement and apportionment of taxes,
 13 or both the June and December settlement and apportionment of taxes,
 14 immediately following a refund made under this section the county
 15 auditor shall deduct the amount refunded from the gross tax collections
 16 of the taxing units for which the refunded taxes were originally paid
 17 and shall pay the amount so deducted into the general fund of the
 18 county. However, the county auditor shall make the deductions and
 19 payments required by this subsection not later than the December
 20 settlement and apportionment.

21 SECTION 29. IC 6-1.1-28-1, AS AMENDED BY P.L.198-2001,
 22 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 1. (a) Each county shall have a county
 24 property tax assessment board of appeals composed of individuals who
 25 are at least eighteen (18) years of age and knowledgeable in the
 26 valuation of property. In addition to the county assessor, only one (1)
 27 other individual who is an officer or employee of a county or township
 28 may serve on the board of appeals in the county in which the individual
 29 is an officer or employee. The fiscal body of the county shall appoint
 30 two (2) individuals to the board. At least one (1) of the members
 31 appointed by the county fiscal body must be a certified level two
 32 assessor-appraiser. The board of commissioners of the county shall
 33 appoint two (2) freehold members so that not more than three (3) of the
 34 five (5) members may be of the same political party and so that at least
 35 three (3) of the five (5) members are residents of the county. At least
 36 one (1) of the members appointed by the board of county
 37 commissioners must be a certified level two assessor-appraiser.
 38 However, if the county assessor is a certified level 2 ~~Indiana two~~
 39 assessor-appraiser, the board of county commissioners may waive the
 40 requirement in this subsection that one (1) of the freehold members
 41 appointed by the board of county commissioners must be a certified
 42 level 2 ~~Indiana two~~ assessor-appraiser. A person appointed to a

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property tax assessment board of appeals may serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a voting member of the property tax assessment board of appeals. The county assessor shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board **that includes at least one (1) certified level two assessor-appraiser** constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

(b) The county assessor, county fiscal body, and board of county commissioners may agree to waive the requirement in subsection (a) that not more than three (3) of the five (5) members of the county property tax assessment board of appeals may be of the same political party if it is necessary to waive the requirement due to the absence of certified level ~~2~~ **two** Indiana assessor-appraisers:

- (1) who are willing to serve on the board; and
- (2) whose political party membership status would satisfy the requirement in subsection (c)(1).

(c) If the board of county commissioners is not able to identify at least two (2) prospective freehold members of the county property tax assessment board of appeals who are:

- (1) residents of the county;
- (2) certified level ~~2~~ **two** Indiana assessor-appraisers; and
- (3) willing to serve on the county property tax assessment board of appeals;

it is not necessary that at least three (3) of the five (5) members of the county property tax assessment board of appeals be residents of the county.

SECTION 30. IC 6-1.1-30-1.1, AS ADDED BY P.L.198-2001, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) The department of local government finance is established.

(b) **The governor shall appoint an individual with appropriate training and experience as commissioner of the department. The commissioner:**

- (1) **is the executive and chief administrative officer of the department;**
- (2) **may delegate authority to appropriate department staff;**
- (3) **serves at the pleasure of the governor; and**



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(4) is entitled to receive compensation in an amount set by the governor, subject to approval by the budget agency.

SECTION 31. IC 6-1.1-35-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) All information ~~which that~~ is related to earnings, income, profits, losses, or expenditures and ~~which that~~ is: ~~either~~

(1) given by a person to:

(A) an assessing official;

(B) a member of a county property tax assessment board of appeals;

(C) a county assessor; ~~or one (1) of their employees~~

(D) an employee of a person referred to in clauses (A) through (C); or

(E) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12; or

(2) acquired by:

(A) an assessing official;

(B) a member of a county property tax assessment board of appeals;

(C) a county assessor; ~~or one (1) of their employees~~

(D) an employee of a person referred to in clauses (A) through (C); or

(E) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12;

in the performance of his the person's duties;

is confidential. The assessed valuation of tangible property is a matter of public record and is thus not confidential. Confidential information may be disclosed only in a manner ~~which that~~ is authorized under subsection (b), (c), or (d).

(b) Confidential information may be disclosed to:

(1) an official or employee of:

(1) (A) this state or another state;

(2) (B) the United States; or

(3) (C) an agency or subdivision of this state, another state, or the United States;

if the information is required in the performance of his the official duties of the official or employee; or

(2) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12 if the information is required in the performance of the official duties of the officer or employee.

(c) The following state agencies, or their authorized representatives,

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shall have access to the confidential farm property records and schedules ~~which that~~ are on file in the office of a county or township assessor:

(1) the Indiana state board of animal health, in order to perform its duties concerning the discovery and eradication of farm animal diseases;

(2) the department of agricultural statistics of Purdue University, in order to perform its duties concerning the compilation and dissemination of agricultural statistics; and

(3) any other state agency ~~which that~~ needs the information in order to perform its duties.

(d) Confidential information may be disclosed during the course of a judicial proceeding in which the regularity of an assessment is questioned.

(e) Confidential information ~~which that~~ is disclosed to a person under subsection (b) or (c) of this section retains its confidential status. Thus, that person may disclose the information only in a manner ~~which that~~ is authorized under subsection (b), (c), or (d). ~~of this section.~~

SECTION 32. IC 6-1.1-36-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. **(a) If A board of county commissioners enters may enter into a contract for the discovery of property which that has been undervalued or omitted from assessment. The contract may require the contractor to:**

(1) examine and verify the accuracy of personal property returns filed by taxpayers with a township assessor of a township in the county; and

(2) compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

(b) The investigation and collection expenses ~~shall~~ of a contract under subsection (a) may be deducted from the gross amount of taxes collected on the undervalued or omitted property which that is so discovered. The remainder of the taxes collected on the undervalued or omitted property shall be distributed to the appropriate taxing units.

(c) A board of county commissioners may not contract for services under subsection (a) on a commission or percentage basis.

SECTION 33. IC 6-3.5-1.1-2, AS AMENDED BY P.L.135-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The county council of any county in which the county option income tax will not be in effect on July 1 of a year under an ordinance adopted during a previous calendar year may impose the county adjusted gross income tax on the adjusted gross

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income of county taxpayers of its county effective July 1 of that year.

(b) Except as provided in section 2.5, 2.7, **2.8, 2.9, or 3.5, or 3.6** of this chapter, the county adjusted gross income tax may be imposed at a rate of one-half of one percent (0.5%), three-fourths of one percent (0.75%), or one percent (1%) on the adjusted gross income of resident county taxpayers of the county. Any county imposing the county adjusted gross income tax must impose the tax on the nonresident county taxpayers at a rate of one-fourth of one percent (0.25%) on their adjusted gross income. If the county council elects to decrease the county adjusted gross income tax, the county council may decrease the county adjusted gross income tax rate in increments of one-tenth of one percent (0.1%).

(c) To impose the county adjusted gross income tax, the county council must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council imposes the county adjusted gross income tax on the county taxpayers of _____ County. The county adjusted gross income tax is imposed at a rate of _____ percent (____%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county. This tax takes effect July 1 of this year."

(d) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(e) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(f) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 34. IC 6-3.5-1.1-2.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.8. (a) This section applies to a county having a population of more than one hundred**



eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip:

(A) jail facilities;

(B) juvenile court, detention, and probation facilities;

(C) other criminal justice facilities; and

(D) related buildings and parking facilities;

located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and

(2) repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (c). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of carrying out the purposes described in subsection (b)(1).

(e) The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the criminal justice facilities revenue fund before making a certified distribution under section 11 of this chapter.



(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued or leases entered into for any or all the purposes described in subsection (b).

(g) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

(1) the completion of the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b);

(2) the payment or provision for payment of all the costs for activities described in subdivision (1);

(3) the redemption of bonds issued; and

(4) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 35. IC 6-3.5-1.1-2.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.9. (a) This section applies to a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, remodel, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs; and

(2) repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

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(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

- (1) fifteen-hundredths percent (0.15%);
- (2) two-tenths percent (0.2%); or
- (3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b) are completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-five (25) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of financing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(e) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may be used only for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique governmental and economic development challenges due to:



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- (1) underemployment in relation to similarly situated counties and the loss of a major manufacturing business;
- (2) an increase in property taxes for taxable years after December 31, 2000, for the construction of a new elementary school; and
- (3) overcrowding of the county jail, the costs associated with housing the county's inmates outside the county, and the potential unavailability of additional housing for inmates outside the county.

The use of county adjusted gross income tax revenues as provided in this chapter is necessary for the county to provide adequate jail capacity in the county and to maintain low property tax rates essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b), rather than the use of property taxes, promotes those purposes.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the redemption of bonds issued; or
- (2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 36. IC 6-3.5-1.1-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.6. (a) This section applies only to a county having a population of more than six thousand (6,000) but less than eight thousand (8,000).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

- (1) finance, construct, acquire, improve, renovate, or equip the county courthouse; and
- (2) repay bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, and equipping the county courthouse.

(c) In addition to the rates permitted under section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of twenty-five hundredths percent (0.25%) on

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the adjusted gross income of county taxpayers in the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, and equipping described in subsection (b) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-two (22) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping the county courthouse.

(e) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before a certified distribution is made under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique economic development challenges due to:

- (1) the county's heavy agricultural base;
- (2) the presence of a large amount of state owned property in the county that is exempt from property taxation; and
- (3) recent obligations of the school corporation in the county that have already increased property taxes in the county and imposed additional property tax burdens on the county's agricultural base.

Maintaining low property tax rates is essential to economic development. The use of county adjusted gross income tax revenues



as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b), rather than the use of property taxes, promotes that purpose.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

(1) the redemption of the bonds issued; or

(2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 37. IC 6-3.5-1.1-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9.5. (a) **After January 1 and before April 1 of a year**, the county council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.

(b) To reduce the balance, a county council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance within ninety (90) days after the adoption of this ordinance."

(c) Not more than thirty (30) days after adopting an ordinance under subsection (b), the county council shall deliver a copy of the ordinance to the budget agency.

(d) Not later than:

(1) sixty (60) days after a county council adopts an ordinance under subsection (b); and

(2) December 31; ~~of each year;~~

the budget agency shall make the calculation described in subsection (e). Not later than ninety (90) days after the ordinance is adopted, the budget agency shall make an initial distribution to the county auditor of the amount determined under subsection (e) STEP FOUR. ~~Subsequent distributions needed to distribute any amount in the county income tax special account that exceeds a three (3) month balance, as determined under STEP FOUR of subsection (e), shall be made in January of the ensuing calendar year after the calculation is made.~~

(e) The budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 8 of this chapter.

STEP TWO: Divide the amount estimated under section 9(b) of

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1 this chapter before any adjustments are made under section 9(c)
2 or 9(d) of this chapter by twelve (12).

3 STEP THREE: Multiply the STEP TWO amount by three (3).

4 STEP FOUR: Subtract the amount determined in STEP THREE
5 from the amount determined in STEP ONE.

6 (f) For the purposes of this subsection and subsection (g), "civil
7 taxing unit" includes a city or town that existed on January 1 of the year
8 in which the distribution is made. The county auditor shall distribute
9 an amount received under subsection (d) to the civil taxing units in the
10 same manner as the certified distribution is distributed and not later
11 than thirty (30) days after the county auditor receives the amount.
12 However, the county auditor shall distribute an amount to a civil taxing
13 unit that does not have a property tax levy in the year of the distribution
14 based on an estimate certified by the state board of tax commissioners.
15 The state board of tax commissioners shall compute and certify an
16 amount for a civil taxing unit that does not have a property tax levy
17 equal to the amount to be distributed multiplied by a fraction in which:

18 (1) the numerator of the fraction equals an estimate of the budget
19 of that civil taxing unit for:

20 (A) that calendar year, if the civil taxing unit has adopted a
21 resolution indicating that the civil taxing unit will not adopt a
22 property tax in the ensuing calendar year; or

23 (B) the ensuing calendar year, if clause (A) does not apply;
24 and

25 (2) the denominator of the fraction equals the aggregate attributed
26 levies (as defined in IC 6-3.5-1.1-15) of all civil taxing units of
27 that county for that calendar year plus the sum of the budgets
28 estimated under subdivision (1) for each civil taxing unit that
29 does not have a property tax levy in the year of the distribution.

30 (g) The civil taxing units may use the amounts received under
31 subsection (f) for any item for which the particular civil taxing unit's
32 certified shares may be used. The amount distributed shall not be
33 included in the computation under IC 6-1.1-18.5-3.

34 SECTION 38. IC 6-3.5-1.1-10, AS AMENDED BY P.L.135-2001,
35 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 UPON PASSAGE]: Sec. 10. (a) One-half (1/2) of each adopting
37 county's certified distribution for a calendar year shall be distributed
38 from its account established under section 8 of this chapter to the
39 appropriate county treasurer on May 1 and the other one-half (1/2) on
40 November 1 of that calendar year.

41 (b) Except for:

42 (1) revenue that must be used to pay the costs of operating a jail

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and juvenile detention center under section 2.5(d) of this chapter;

(2) **revenue that must be used to pay the costs of:**

(A) **financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;**

(B) **debt service on bonds; or**

(C) **lease rentals;**

under section 2.8 of this chapter;

(3) **revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, or remodeling of a jail and related buildings and parking structures under section 2.7 or 2.9 of this chapter; ~~or~~**

~~(3)~~ (4) **revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; or**

(5) **revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;**

distributions made to a county treasurer under subsection (a) shall be treated as though they were property taxes that were due and payable during that same calendar year. The certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(c) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 39. IC 6-3.5-1.1-11, AS AMENDED BY P.L.135-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

(1) **revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;**

(2) **revenue that must be used to pay the costs of:**

(A) **financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;**

(B) **debt service on bonds; or**

(C) **lease rentals;**

under section 2.8 of this chapter;

(3) **revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, or remodeling of a jail and related buildings and parking structures under section 2.7 or 2.9 of this chapter; ~~or~~**

~~(3)~~ (4) **revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this**

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chapter; or

(5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 2 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received. The percentages are set forth in the following table:

COUNTY	PROPERTY TAX	
ADJUSTED GROSS INCOME TAX RATE	REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 40. IC 6-3.5-1.1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21. Before February 1 and July 2 of each year, the department shall submit a report to each county treasurer and auditor indicating the balance in the county's adjusted gross income tax account as of the end of the preceding year. the following:

(1) The balance in the county's adjusted gross income tax account as of the end of the preceding year.

(2) The required six (6) month balance, or three (3) month balance if the county has adopted an ordinance under section 9.5 of this chapter before the end of the preceding year.

SECTION 41. IC 6-3.5-1.1-21.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2002]: Sec. 21.1. (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year in excess of the required six (6) or three (3) month balance, the department may make a supplemental distribution to a county from the county's adjusted gross income tax account.

(b) A supplemental distribution described in subsection (a) must be:

- (1) made in January of the ensuing calendar year; and
- (2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.

SECTION 42. IC 6-3.5-6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) This section applies to a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000).

(b) In addition to the actions authorized under section 2 of this chapter, a county income tax council may, using the procedures set forth in this chapter, adopt an ordinance to impose an additional county option income tax at a rate that may not exceed twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county income tax council makes the finding and determination required under subsection (c).

(c) In order to impose an additional county option income tax rate under this section, the county income tax council must adopt an ordinance finding and determining that revenues from the additional county option income tax are needed to pay the costs of financing, constructing, acquiring, renovating, equipping, and operating one (1) or more of the following facilities:

- (1) A community correction facility.
- (2) A juvenile treatment center.
- (3) A records keeping facility.
- (4) A county building.
- (5) An animal shelter.
- (6) An emergency services facility.

The costs that may be paid from revenues collected under this section also include costs related to the land, appurtenances, and infrastructure associated with a facility described in this subsection and the costs of repaying bonds issued or leases entered into for the



1 purchasing, financing, constructing, acquiring, renovating,
2 equipping, and operating the facility.

3 (d) If the county income tax council makes a determination
4 required under subsection (c), the county income tax council may
5 adopt a tax rate under this section. The tax rate may not be
6 imposed at a rate or for a time greater than is necessary to pay the
7 costs described in subsection (c).

8 (e) The county treasurer shall establish a county facilities
9 revenue fund to be used only for the purposes described in this
10 section. County option income tax revenues derived from the tax
11 rate imposed under this section:

12 (1) shall be deposited in the county facilities revenue fund
13 before a certified distribution is made under section 17 of this
14 chapter;

15 (2) may not be used for the purposes described in section 17.4,
16 17.5, 17.6, 18, or 18.5 of this chapter; and

17 (3) may not be considered by the department of local
18 government finance in determining the county's ad valorem
19 property tax levy for an ensuing calendar year under
20 IC 6-1.1-18.5.

21 (f) Notwithstanding section 2 of this chapter, an ordinance may
22 be adopted under this section at any time. If the ordinance is
23 adopted before April 1 of a particular calendar year, a tax rate
24 imposed under this section takes effect on July 1 of the calendar
25 year. If the ordinance is adopted after March 31, a tax rate
26 imposed under this section takes effect on January 1 of the ensuing
27 calendar year.

28 (g) Notwithstanding any other law:

29 (1) funds accumulated from the county option income tax rate
30 imposed under this section and deposited in the county
31 facilities revenue fund; or

32 (2) any other revenues of the county;

33 may be deposited in a nonreverting fund of the county to be used
34 for the operating costs of a facility described in subsection (c).
35 Amounts in the county nonreverting fund may not be used by the
36 department of local government finance to reduce the county's ad
37 valorem property tax levy for an ensuing calendar year under
38 IC 6-1.1-18.5.

39 (h) A county described in subsection (a) possesses unique fiscal
40 challenges to finance, construct, acquire, renovate, equip, and
41 operate the facilities described in subsection (c) because the
42 county:

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- 1 **(1) includes a disproportionate percentage of property that is**
 2 **not subject to property taxation; and**
 3 **(2) is experiencing sustained growth requiring additional**
 4 **county services.**

5 SECTION 43. IC 6-3.5-6-17 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) ~~Revenue~~
 7 **Except as provided in section 2.5 of this chapter, revenue** derived
 8 from the imposition of the county option income tax shall, in the
 9 manner prescribed by this section, be distributed to the county that
 10 imposed it. The amount that is to be distributed to a county during an
 11 ensuing calendar year equals the amount of county option income tax
 12 revenue that the department, after reviewing the recommendation of the
 13 state budget agency, estimates will be received from that county during
 14 the twelve (12) month period beginning July 1 of the immediately
 15 preceding calendar year and ending June 30 of the ensuing calendar
 16 year.

17 (b) Before June 16 of each calendar year, the department, after
 18 reviewing the recommendation of the state budget agency, shall
 19 estimate and certify to the county auditor of each adopting county the
 20 amount of county option income tax revenue that will be collected from
 21 that county during the twelve (12) month period beginning July 1 of
 22 that calendar year and ending June 30 of the immediately succeeding
 23 calendar year. The amount certified is the county's "certified
 24 distribution" for the immediately succeeding calendar year. The amount
 25 certified may be adjusted under subsection (c) or (d).

26 (c) The department may certify to an adopting county an amount
 27 that is greater than the estimated twelve (12) month revenue collection
 28 if the department, after reviewing the recommendation of the state
 29 budget agency, determines that there will be a greater amount of
 30 revenue available for distribution from the county's account established
 31 under section 16 of this chapter.

32 (d) The department may certify an amount less than the estimated
 33 twelve (12) month revenue collection if the department, after reviewing
 34 the recommendation of the state budget agency, determines that a part
 35 of those collections needs to be distributed during the current calendar
 36 year so that the county will receive its full certified distribution for the
 37 current calendar year.

38 (e) One-twelfth (1/12) of each adopting county's certified
 39 distribution for a calendar year shall be distributed from its account
 40 established under section 16 of this chapter to the appropriate county
 41 treasurer on the first day of each month of that calendar year.

42 (f) **Except as provided in section 2.5 of this chapter,** upon receipt,



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each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(g) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of ~~the~~ state ordering the appropriate payments.

SECTION 44. IC 6-3.5-6-17.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17. 2. Before July 2 of each year, the department shall submit a report to each county auditor indicating the following:**

(1) The balance in the county's special account as of the end of the preceding year.

(2) The required six (6) month balance or three (3) month balance, if the county has adopted an ordinance under:

(A) IC 6-3.5-6-17.4;

(B) IC 6-3.5-6-17.5; or

(C) IC 6-3.5-6-17.6;

before the end of the preceding year.

SECTION 45. IC 6-3.5-6-17.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17. 3. (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year in excess of the required six (6) or three (3) month balance, the department may make a supplemental distribution to a county from the county's special account.**

(b) A supplemental distribution described in subsection (a) must be:

(1) made in January of the ensuing calendar year; and

(2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.

SECTION 46. IC 6-3.5-6-17.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17.4. (a) This section applies only to a county having a population of more than thirty-six thousand seven hundred (36,700) but less than thirty-seven thousand (37,000).**

(b) The county income tax council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.



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(c) To reduce the balance a county income tax council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance within ninety (90) days after the adoption of this ordinance."

(d) Not more than thirty (30) days after adopting an ordinance under subsection (c), the county income tax council shall deliver a copy of the ordinance to the budget agency.

(e) Not later than:

(1) sixty (60) days after a county income tax council adopts an ordinance under subsection (c); and

(2) December 31; ~~of each year;~~

the budget agency shall make the calculation described in subsection (f). Not later than ninety (90) days after the ordinance is adopted, the budget agency shall make an initial distribution to the county auditor of the amount determined under subsection (f) STEP FOUR. Subsequent distributions needed to distribute any amount in the county income tax special account that exceeds a three (3) month balance, as determined under subsection (f) STEP FOUR, shall be made in January of the ensuing calendar year after the calculation is made.

(f) The budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(g) The county auditor shall distribute an amount received under subsection (e) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount.

(h) The civil taxing units may use the amounts received under subsection (g) for any item for which the particular civil taxing unit's certified distribution may be used.

SECTION 47. IC 6-3.5-6-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.5. (a) This section does not apply to a county containing a consolidated city.

(b) The county income tax council of any county may adopt an ordinance to reduce the required six (6) month balance of that county's

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special account to a three (3) month balance for that county on January 1 of a year.

(c) To reduce the balance a county income tax council must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance."

(d) On or before December 31, ~~of each year~~, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(e) The amount determined in STEP FOUR of subsection (d) shall be distributed to the county auditor in January of the ensuing calendar year.

(f) The county auditor shall distribute the amount received under subsection (e) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount.

(g) The civil taxing units may use the amounts received under subsection (f) as follows:

(1) For the later of 1995 or the first calendar year in which the county adopts an ordinance under subsection (c) and:

(A) for each civil taxing unit that is a county, city, or town, for the purposes authorized under IC 36-9-14.5-2 or IC 36-9-15.5-2 (whichever applies and regardless of whether the civil taxing unit has established a cumulative capital development fund under IC 36-9-14.5 or IC 36-9-15.5); and

(B) for each civil taxing unit that is a township or a special taxing district, for any item for which the civil taxing unit may issue a general obligation bond.

(2) For each year after the year to which subdivision (1) applies and for all civil taxing units, for any item for which the particular civil taxing unit's certified distribution may be used.

SECTION 48. IC 6-3.5-6-17.6, AS AMENDED BY P.L.283-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2002]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

(b) On or before July ~~15~~ 2 of each year, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter as of the end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county; divided by

(2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to:

(A) the property taxes imposed by the county in 1999 for the

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county's welfare administration fund; plus
 (B) after December 31, 2002, the greater of zero (0) or the
 difference between:

- (i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the ~~state~~ statewide average assessed value growth quotient described in IC 12-16-14-3; minus
- (ii) the current uninsured parents program property tax levy imposed by the county.

SECTION 49. IC 6-3.5-6-26 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) A pledge of county option income tax revenues under this chapter is enforceable in accordance with IC 5-1-14.**

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the tax collected under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 50. IC 6-3.5-7-5, AS AMENDED BY P.L.135-2001, SECTION 6, AS AMENDED BY P.L.185-2001, SECTION 3, AND AS AMENDED BY P.L.291-2001, SECTION 179, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a)** Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), ~~and~~ (g), ~~ff~~, and (k), the county economic development income tax may be imposed at a rate of:



- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), ~~or (j), or (k)~~, **(l), (m), (n), or (o)**, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(g) This subsection applies to ~~a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600);~~ **a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000).** In addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of:
 - (A) fifteen-hundredths percent (0.15%);
 - (B) two-tenths percent (0.2%); or
 - (C) twenty-five hundredths percent (0.25%); and



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(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than thirty-seven thousand ~~(37,000)~~ but less than thirty-seven thousand eight hundred ~~(37,800)~~, a county having a population of more than forty-one thousand ~~(41,000)~~ but less than forty-three thousand ~~(43,000)~~, the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than twelve thousand six hundred ~~(12,600)~~ but less than thirteen thousand ~~(13,000)~~, a county having a population of more than thirteen thousand five hundred ~~(13,500)~~ but less than fourteen thousand ~~(14,000)~~, the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than sixty-eight thousand ~~(68,000)~~ but less than seventy-three thousand ~~(73,000)~~, a county having a population of more than seventy-one thousand ~~(71,000)~~ but less than seventy-one thousand four hundred ~~(71,400)~~, the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(f) This subsection applies to a county having a population of more than twenty-seven thousand ~~(27,000)~~ but less than twenty-seven thousand three hundred ~~(27,300)~~. In addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent ~~(0.25%)~~; and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent ~~(1.5%)~~;

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(k) This subsection applies to a county having a population of more than twenty-seven thousand ~~(27,000)~~ but less than twenty-seven

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thousand three hundred (27,300): a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). In addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). In addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five



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1 hundredths percent (1.25%);
 2 if the county council makes a determination to impose rates under
 3 this subsection and section 24 of this chapter.

4 SECTION 51. IC 6-3.5-7-10.5 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2002]: **Sec. 10.5. Before July 2 of each year,**
 7 **the department shall submit a report to each county auditor**
 8 **indicating the following:**

9 (1) **The balance in the county's special account as of the end**
 10 **of the preceding year.**

11 (2) **The required six (6) month balance as of the end of the**
 12 **preceding year.**

13 SECTION 52. IC 6-3.5-7-17.3 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2002]: **Sec. 17.3. (a) If, after receiving a**
 16 **recommendation from the budget agency, the department**
 17 **determines that a sufficient balance existed at the end of the**
 18 **preceding year that exceeded the required six (6) month balance as**
 19 **of the end of the preceding year, the department may make a**
 20 **supplemental distribution to a county from the county's special**
 21 **account.**

22 **(b) A supplemental distribution described in subsection (a) must**
 23 **be:**

24 (1) **made in January of the ensuing calendar year; and**

25 (2) **allocated and used in the same manner as certified**
 26 **distributions.**

27 **(c) A determination under this section must be made before July**
 28 **2.**

29 SECTION 53. IC 6-3.5-7-24 IS ADDED TO THE INDIANA CODE
 30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: **Sec. 24. (a) This section applies to a county**
 32 **having a population of more than thirty-nine thousand (39,000) but**
 33 **less than thirty-nine thousand six hundred (39,600).**

34 **(b) In addition to the rates permitted by section 5 of this**
 35 **chapter, the county council may impose the county economic**
 36 **development income tax at a rate of twenty-five hundredths**
 37 **percent (0.25%) on the adjusted gross income of county taxpayers**
 38 **if the county council makes the finding and determination set forth**
 39 **in subsection (c).**

40 **(c) In order to impose the county economic development income**
 41 **tax as provided in this section, the county council must adopt an**
 42 **ordinance finding and determining that revenues from the county**



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1 economic development income tax are needed to pay the costs of
 2 financing, constructing, acquiring, renovating, and equipping a
 3 county jail including the repayment of bonds issued, or leases
 4 entered into, for constructing, acquiring, renovating, and
 5 equipping a county jail.

6 (d) If the county council makes a determination under
 7 subsection (c), the county council may adopt a tax rate under
 8 subsection (b). The tax rate may not be imposed at a rate or for a
 9 time greater than is necessary to pay the costs of financing,
 10 constructing, acquiring, renovating, and equipping a county jail.

11 (e) The county treasurer shall establish a county jail revenue
 12 fund to be used only for the purposes described in this section.
 13 County economic development income tax revenues derived from
 14 the tax rate imposed under this section shall be deposited in the
 15 county jail revenue fund before making a certified distribution
 16 under section 11 of this chapter.

17 (f) County economic development income tax revenues derived
 18 from the tax rate imposed under this section:

19 (1) may only be used for the purposes described in this
 20 section;

21 (2) may not be considered by the state board of tax
 22 commissioners in determining the county's maximum
 23 permissible property tax levy limit under IC 6-1.1-18.5; and

24 (3) may be pledged to the repayment of bonds issued, or leases
 25 entered into, for the purposes described in subsection (c).

26 SECTION 54. IC 6-9-2.5-1 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. This chapter
 28 applies to a county having a population of more than one hundred ~~sixty~~
 29 ~~seventy~~ thousand ~~(160,000)~~ **(170,000)** but less than ~~two one~~ hundred
 30 ~~eighty~~ thousand ~~(200,000)~~ **(180,000)**.

31 SECTION 55. IC 6-9-2.5-6 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) The county
 33 council may levy tax on every person engaged in the business of
 34 renting or furnishing, for periods of less than thirty (30) days, any room
 35 or rooms, lodgings, or accommodations in any commercial hotel,
 36 motel, inn, tourist camp, or tourist cabin located in a county described
 37 in section 1 of this chapter. Such tax shall not exceed the rate of ~~five~~
 38 ~~six~~ percent ~~(5%)~~ **(6%)** on the gross income derived from lodging
 39 income only and shall be in addition to the state gross retail tax
 40 imposed on such persons by IC 6-2.5.

41 (b) The county fiscal body may adopt an ordinance to require that
 42 the tax be reported on forms approved by the county treasurer and that

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the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected pursuant to IC 6-2.5.

(c) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration shall be applicable to the imposition and administration of the tax imposed by this section except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. Specifically and not in limitation of the foregoing sentence, the terms "person" and "gross income" shall have the same meaning in this section as they have in IC 6-2.5. If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule or regulation, determine.

(d) If the tax is paid to the department of state revenue, the amounts received from such tax shall be paid quarterly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

(e) The tax imposed under subsection (a) does not apply to the renting or furnishing of rooms, lodgings, or accommodations to a person for a period of thirty (30) days or more.

SECTION 56. IC 6-9-2.5-7, AS AMENDED BY P.L.208-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) The county treasurer shall establish a convention and visitor promotion fund.

(b) The county treasurer shall deposit the following in the convention and visitor promotion fund:

(1) Before January 1, 2000:

(A) All of the money received under section 6 of this chapter, if the rate set under section 6 of this chapter is not greater than two percent (2%).

(B) The amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate, if the rate set under section 6 of this chapter is at least two percent (2%).

(2) After December 31, 1999, **and before January 1, 2003**, the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate.

(3) After December 31, 2002, the amount of money received



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under section 6 of this chapter that is generated by a two and one-half percent (2.5%) rate.

(c) Money in this fund shall be expended only as provided in this chapter.

(d) The commission may transfer money in the convention and visitor promotion fund to any Indiana nonprofit corporation for the purpose of promotion and encouragement in the county of conventions, trade shows, visitors, or special events. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 57. IC 6-9-2.5-7.5, AS AMENDED BY P.L.208-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.

(2) After December 31, 1999, and before January 1, ~~2006~~, **2003**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.

(3) After December 31, 2002, and before January 1, 2006, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one and one-half percent (1.5%) rate.

(4) After December 31, 2005, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a three and one-half percent (~~3%~~) (3.5%) rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may

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1 transfer money under this section only after approving the transfer.
 2 Transfers shall be made quarterly or less frequently under this section.

3 SECTION 58. IC 6-9-7-1 IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2002]: Sec. 1. This chapter applies to ~~a county~~
 5 ~~having a population of more than one hundred twenty-nine thousand~~
 6 ~~(129,000) but less than one hundred thirty thousand six hundred~~
 7 ~~(130,600); a county having a population of more than one hundred~~
 8 ~~forty-eight thousand (148,000) but less than one hundred seventy~~
 9 ~~thousand (170,000).~~

10 SECTION 59. IC 6-9-7-7 IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The county treasurer shall
 12 establish an innkeeper's tax fund. The treasurer shall deposit in that
 13 fund all money received under section 6 of this chapter.

14 (b) Money in the innkeeper's tax fund shall be expended in the
 15 following order:

16 (1) Through July 1999, not more than the revenue needed to
 17 service bonds issued under IC 36-10-3-40 through IC 36-10-3-45
 18 and outstanding on January 1, 1993, may be used to service
 19 bonds. The county auditor shall make a semiannual distribution,
 20 at the same time property tax revenue is distributed, to a park and
 21 recreation district that has issued bonds payable from a county
 22 innkeeper's tax. Each semiannual distribution must be equal to
 23 one-half (1/2) of the annual principal and interest obligations on
 24 the bonds. Money received by a park and recreation district under
 25 this subdivision shall be deposited in a special fund to be used to
 26 service the bonds. During August 1999 the money that had been
 27 set aside to cover bond payments that remains after the bonds
 28 have been retired plus sixty percent (60%) of the tax revenue
 29 during August 1999 through December 1999 shall be distributed
 30 to the county treasurer to be used by the county park board,
 31 subject to appropriation by the county fiscal body.

32 (2) To the commission for its general use in paying operating
 33 expenses and to carry out the purposes set forth in section 3(a)(6)
 34 of this chapter. However, the amount that may be distributed
 35 under this subdivision during any particular year may not exceed
 36 the proceeds derived from an innkeeper's tax of two percent (2%)
 37 through December 1999 and fifty percent (50%) of the tax
 38 revenue beginning January 2000 and continuing through
 39 December ~~2004~~ **2014**.

40 (3) For the period beginning ~~January 2000~~ **July 1, 2002**, through
 41 December ~~2004~~ **2014**, fifty percent (50%) of the revenue to the
 42 county treasurer to be credited by the treasurer to a special

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1 account. The county treasurer shall distribute money in the
2 special account as follows:

3 (A) Seventy-five percent (75%) of the money in the special
4 account shall be distributed to the department of natural
5 resources for the development of projects in ~~or near the state~~
6 **park on** the county's largest river, including its tributaries.
7 (~~referred to as a qualified project~~). Upon the submission of a
8 written claim by the department of natural resources
9 requesting funds for a qualified project and to the extent there
10 is money in the special account, the county council shall
11 appropriate and the county auditor shall issue warrants to pay
12 the claim.

13 (B) Twenty-five percent (25%) of the money in the special
14 account shall be distributed to a community development
15 corporation that serves a metropolitan area in the county
16 that includes:

17 (i) a city having a population of more than fifty-five
18 thousand (55,000) but less than fifty-nine thousand
19 (59,000); and

20 (ii) a city having a population of more than twenty-eight
21 thousand seven hundred (28,700) but less than
22 twenty-nine thousand (29,000);

23 for the community development corporation's use in
24 tourism, recreation, and economic development activities.
25 For the period beginning July 1, 2002, and continuing
26 through December 2006, the community development
27 corporation shall provide not less than forty percent (40%)
28 of the money received from the special account under this
29 clause as a grant to a nonprofit corporation that leases
30 land in the state park described in this subdivision for the
31 nonprofit corporation's use in noncapital projects in the
32 state park.

33 Money in the special account may not be used for any other
34 purpose. The money credited to the account that has not been
35 used for ~~qualified projects as specified in this subdivision by~~
36 January 1, ~~2005~~, **2015**, shall be transferred to the commission to
37 be used to make grants as provided in subsection (c)(2).

38 (c) Money in the innkeeper's tax fund subject to appropriation by the
39 county council shall be allocated and distributed after December ~~2004~~
40 **2014** as follows:

41 (1) Fifty percent (50%) of the revenue to the commission for the
42 commission's general use in paying operating expenses and to



1 carry out the purposes set forth in section 3(a)(6) of this chapter.
 2 (2) The remainder to the commission to be used solely to make
 3 grants for the development of recreation and tourism projects. The
 4 commission shall establish and make public the criteria that will
 5 be used in analyzing and awarding grants. At least ten percent
 6 (10%) but not more than fifteen percent (15%) of the grants may
 7 be awarded for noncapital projects. Grants may be made only to
 8 the following entities upon application by the executive of the
 9 entity:

10 (A) The county for deposit in a special account.

11 (B) The most populated city in the county for deposit in a
 12 special account.

13 (C) The second most populated city in the county for deposit
 14 in a special account.

15 (D) The Tippecanoe County Wabash River parkway
 16 commission, but only so long as the interlocal agreement
 17 among the political subdivisions listed in clauses (A) through
 18 (C) is in effect. Money received by the parkway commission
 19 shall be segregated in a special account.

20 (d) Money credited to special accounts under subsection (c)(2) shall
 21 be used only for recreation or tourism projects, or both.

22 SECTION 60. IC 8-16-3.1-4 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:
 24 Sec. 4. (a) The executive of any eligible county may provide a major
 25 bridge fund in compliance with IC 6-1.1-41 to make available funding
 26 for the construction of major bridges.

27 (b) The executive of any eligible county may levy a tax in
 28 compliance with IC 6-1.1-41 not to exceed **ten three and thirty-three**
 29 **hundredths** cents (~~\$0.10~~) (**\$0.0333**) on each one hundred dollars
 30 (\$100) assessed valuation of all taxable personal and real property
 31 within the county to provide for the major bridge fund.

32 SECTION 61. IC 13-21-3-12, AS AMENDED BY P.L.225-2001,
 33 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2002]: Sec. 12. Except as provided in section 14.5 of this
 35 chapter, the powers of a district include the following:

36 (1) The power to develop and implement a district solid waste
 37 management plan under IC 13-21-5.

38 (2) The power to impose district fees on the final disposal of solid
 39 waste within the district under IC 13-21-13.

40 (3) The power to receive and disburse money, if the primary
 41 purpose of activities undertaken under this subdivision is to carry
 42 out the provisions of this article.



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(4) The power to sue and be sued.

(5) The power to plan, design, construct, finance, manage, own, lease, operate, and maintain facilities for solid waste management.

(6) The power to enter with any person into a contract or an agreement that is necessary or incidental to the management of solid waste. Contracts or agreements that may be entered into under this subdivision include those for the following:

(A) The design, construction, operation, financing, ownership, or maintenance of facilities by the district or any other person.

(B) The managing or disposal of solid waste.

(C) The sale or other disposition of materials or products generated by a facility.

Notwithstanding any other statute, the maximum term of a contract or an agreement described in this subdivision may not exceed forty (40) years.

(7) The power to enter into agreements for the leasing of facilities in accordance with IC 36-1-10 or IC 36-9-30.

(8) The power to purchase, lease, or otherwise acquire real or personal property for the management or disposal of solid waste.

(9) The power to sell or lease any facility or part of a facility to any person.

(10) The power to make and contract for plans, surveys, studies, and investigations necessary for the management or disposal of solid waste.

(11) The power to enter upon property to make surveys, soundings, borings, and examinations.

(12) The power to:

(A) accept gifts, grants, loans of money, other property, or services from any source, public or private; and

(B) comply with the terms of the gift, grant, or loan.

(13) The power to levy a tax within the district to pay costs of operation in connection with solid waste management, subject to the following:

(A) Regular budget and tax levy procedures.

(B) Section 16 of this chapter.

However, except as provided in ~~section~~ **sections 15 and 15.5** of this chapter, a property tax rate imposed under this article may not exceed eight and thirty-three hundredths cents (\$0.0833) on each one hundred dollars (\$100) of assessed valuation of property in the district.

(14) The power to borrow in anticipation of taxes.

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(15) The power to hire the personnel necessary for the management or disposal of solid waste in accordance with an approved budget and to contract for professional services.

(16) The power to otherwise do all things necessary for the:

(A) reduction, management, and disposal of solid waste; and

(B) recovery of waste products from the solid waste stream;

if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(17) The power to adopt resolutions that have the force of law. However, a resolution is not effective in a municipality unless the municipality adopts the language of the resolution by ordinance or resolution.

(18) The power to do the following:

(A) Implement a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project.

(B) Apply for a household hazardous waste collection and disposal project grant under IC 13-20-20 and carry out all commitments contained in a grant application.

(C) Establish and maintain a program of self-insurance for a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project, so that at the end of the district's fiscal year the unused and unencumbered balance of appropriated money reverts to the district's general fund only if the district's board specifically provides by resolution to discontinue the self-insurance fund.

(D) Apply for a household hazardous waste project grant as described in IC 13-20-22-2 and carry out all commitments contained in a grant application.

(19) The power to enter into an interlocal cooperation agreement under IC 36-1-7 to obtain:

(A) fiscal;

(B) administrative;

(C) managerial; or

(D) operational;

services from a county or municipality.

(20) The power to compensate advisory committee members for attending meetings at a rate determined by the board.

(21) The power to reimburse board and advisory committee members for travel and related expenses at a rate determined by the board.

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(22) In a joint district, the power to pay a fee from district money to the counties in the district in which a final disposal facility is located.

(23) The power to make grants or loans of:

- (A) money;
- (B) property; or
- (C) services;

to public or private recycling programs, composting programs, or any other programs that reuse any component of the waste stream as a material component of another product, if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(24) The power to establish by resolution a nonreverting capital fund. A district's board may appropriate money in the fund for:

- (A) equipping;
- (B) expanding;
- (C) modifying; or
- (D) remodeling;

an existing facility. Expenditures from a capital fund established under this subdivision must further the goals and objectives contained in a district's solid waste management plan. Not more than five percent (5%) of the district's total annual budget for the year may be transferred to the capital fund that year. The balance in the capital fund may not exceed twenty-five percent (25%) of the district's total annual budget. If a district's board determines by resolution that a part of a capital fund will not be needed to further the goals and objectives contained in the district's solid waste management plan, that part of the capital fund may be transferred to the district's general fund, to be used to offset tipping fees, property tax revenues, or both tipping fees and property tax revenues.

(25) The power to conduct promotional or educational programs that include giving awards and incentives that further the district's solid waste management plan.

(26) The power to conduct educational programs under IC 13-20-17.5 to provide information to the public concerning:

- (A) the reuse and recycling of mercury in:
 - (i) mercury commodities; and
 - (ii) mercury-added products; and
- (B) collection programs available to the public for:
 - (i) mercury commodities; and
 - (ii) mercury-added products.

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(27) The power to implement mercury collection programs under IC 13-20-17.5 for the public and small businesses.

SECTION 62. IC 13-21-3-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 15.5. (a) A district may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district with respect to 2001 property taxes payable in 2002:**

(1) imposed the maximum property tax rate established under section 12 of this chapter; and

(2) collected property tax revenue in an amount less than the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section.

(c) An additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in IC 6-1.1-21-2); and

(2) may not exceed the rate calculated to result in a property tax levy equal to the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(c) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.

SECTION 63. IC 21-2-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11. (a) To provide for the capital projects fund, the governing body may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of the school corporation. This actual rate must be advertised in the same manner as other property tax rates.**

(b) The maximum property tax rate levied by each school corporation must be adjusted each time a general reassessment of property takes effect for taxes payable in the year that immediately succeeds the year in which the general reassessment of property takes effect. The maximum property tax rate levied under subsection (a) applies for taxes payable in any other year.

(c) The new maximum rate under this section for taxes payable in the year that immediately succeeds the year in which the general reassessment of property takes effect is the tax rate determined under

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STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) ~~The state board of tax commissioners~~ **department of local government finance** shall compute the maximum rate allowed under subsection (c) and provide the rate to each school corporation.

SECTION 64. IC 33-3-5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The tax court shall establish a small claims docket for processing:

(1) claims for refunds from the department of state revenue that do not exceed five thousand dollars (\$5,000) for any year; and

(2) appeals of final determinations of assessed value made by the ~~state board of tax commissioners~~ **Indiana board of tax review** that do not exceed forty-five thousand dollars (\$45,000).

(b) The tax court shall adopt rules and procedures under which cases on the small claims docket are heard and decided.

SECTION 65. IC 33-3-5-14.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001 (RETROACTIVE)]: **Sec. 14.1. (a) The**



burden of demonstrating the invalidity of an action taken by the state board of tax commissioners is on the party to the judicial review proceeding asserting the invalidity.

(b) The validity of an action taken by the state board of tax commissioners shall be determined in accordance with the standards of review provided in this section as applied to the agency action at the time it was taken.

(c) The tax court shall make findings of fact on each material issue on which the court's decision is based.

(d) The tax court shall grant relief under section 15 of this chapter only if the tax court determines that a person seeking judicial relief has been prejudiced by an action of the state board of tax commissioners that is:

- (1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;
- (2) contrary to constitutional right, power, privilege, or immunity;
- (3) in excess of or short of statutory jurisdiction, authority, or limitations;
- (4) without observance of procedure required by law; or
- (5) unsupported by substantial or reliable evidence.

(e) Subsection (d) may not be construed to change the substantive precedential law embodied in judicial decisions that are final as of January 1, 2002.

SECTION 66. IC 33-3-5-14.2, AS ADDED BY P.L.198-2001, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.2. (a) The office of the attorney general shall represent a township assessor, **an executive (as defined in IC 36-1-2-5) of a township who performs the duties of a township assessor under IC 36-6-5-2**, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals that:

- (1) made an original determination that is the subject of a judicial proceeding in the tax court; and
- (2) is a defendant in a judicial proceeding in the tax court.

(b) Notwithstanding representation by the office of the attorney general, the duty of discovery is on the parties to the judicial proceeding.

(c) Discovery conducted under subsection (b) shall be limited to production of documents from the administrative law judge presiding over the review under IC 6-1.1-15-3. The administrative law judge shall not be summoned to testify before the tax court unless verified



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proof is offered to the tax court that the impartiality of the administrative law judge was compromised concerning the review.

(d) A township assessor, **an executive (as defined in IC 36-1-2-5) of a township who performs the duties of a township assessor under IC 36-6-5-2**, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals:

(1) may seek relief from the tax court to establish that the Indiana board of tax review rendered a decision that was:

(+) (A) an abuse of discretion;

(2) (B) arbitrary and capricious;

(3) (C) contrary to substantial or reliable evidence; or

(4) (D) contrary to law; and

(2) may not be represented by the office of the attorney general in an action initiated under subdivision (1).

SECTION 67. IC 34-6-2-38, AS AMENDED BY P.L.250-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 38. (a) "Employee" and "public employee", for purposes of section 91 of this chapter, IC 34-13-2, IC 34-13-3, IC 34-13-4, and IC 34-30-14, mean a person presently or formerly acting on behalf of a governmental entity, whether temporarily or permanently or with or without compensation, including members of boards, committees, commissions, authorities, and other instrumentalities of governmental entities, volunteer firefighters (as defined in IC 36-8-12-2), and elected public officials.

(b) The term also includes attorneys at law whether employed by the governmental entity as employees or independent contractors and physicians licensed under IC 25-22.5 and optometrists who provide medical or optical care to confined offenders (as defined in IC 11-8-1) within the course of their employment by or contractual relationship with the department of correction. However, the term does not include:

(1) an independent contractor (other than an attorney at law, a physician, or an optometrist described in this section);

(2) an agent or employee of an independent contractor;

(3) a person appointed by the governor to an honorary advisory or honorary military position; or

(4) a physician licensed under IC 25-22.5 with regard to a claim against the physician for an act or omission occurring or allegedly occurring in the physician's capacity as an employee of a hospital.

(c) A physician licensed under IC 25-22.5 who is an employee of a governmental entity (as defined in IC 34-6-2-49) shall be considered a public employee for purposes of IC 34-13-3-3(21).



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(d) For purposes of IC 34-13-3 and IC 34-13-4, the term includes a person that engages in an act or omission before July 1, 2004, in the person's capacity as:

- (1) a contractor under IC 6-1.1-4-32;
- (2) an employee acting within the scope of the employee's duties for a contractor under IC 6-1.1-4-32;
- (3) a subcontractor of the contractor under IC 6-1.1-4-32 that is acting within the scope of the subcontractor's duties; or
- (4) an employee of a subcontractor described in subdivision (3) that is acting within the scope of the employee's duties.

SECTION 68. IC 36-2-5-3, AS AMENDED BY P.L.198-2001, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 3. (a) The county fiscal body shall fix the compensation of officers, deputies, and other employees whose compensation is payable from the county general fund, county highway fund, county health fund, county park and recreation fund, aviation fund, or any other fund from which the county auditor issues warrants for compensation. This includes the power to:

- (1) fix the number of officers, deputies, and other employees;
- (2) describe and classify positions and services;
- (3) adopt schedules of compensation; and
- (4) hire or contract with persons to assist in the development of schedules of compensation.

(b) The county fiscal body shall ~~fix the annual compensation of~~ **provide for** a county assessor who has attained a level two certification under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ one thousand dollars (\$1,000), ~~more than which is in addition to and not part of~~ the annual compensation of ~~an the~~ assessor. ~~who has not attained a level two certification.~~ The county fiscal body shall ~~fix the annual compensation of~~ **provide for** a county or township deputy assessor who has attained a level two certification under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ five hundred dollars (\$500), ~~more than which is in addition to and not part of~~ the annual compensation of ~~a the~~ county or township deputy assessor. ~~who has not attained a level two certification.~~

(c) Notwithstanding subsection (a), the board of each local health department shall prescribe the duties of all its officers and employees, recommend the number of positions, describe and classify positions and services, adopt schedules of compensation, and hire and contract with persons to assist in the development of schedules of compensation.



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(d) This section does not apply to community corrections programs (as defined in IC 11-12-1-1 and IC 35-38-2.6-2).

SECTION 69. IC 36-2-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The compensation of an elected county officer may not be changed in the year for which it is fixed. The compensation of other county officers, deputies, and employees or the number of each may be changed at any time on:

(1) the application of the **county fiscal body or the** affected officer, department, commission or agency; and

(2) a ~~two-thirds (2/3)~~ **majority** vote of the county fiscal body.

SECTION 70. IC 36-2-9-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. The county auditor shall:**

(1) maintain an electronic data file of the information contained on the tax duplicate for all:

(A) parcels; and

(B) personal property returns;

for each township in the county as of each assessment date;

(2) maintain the file in the form required by:

(A) the legislative services agency; and

(B) the department of local government finance; and

(3) transmit the data in the file with respect to the assessment date of each year before October 1 of the year to:

(A) the legislative services agency; and

(B) the department of local government finance.

SECTION 71. IC 36-7-31.3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. **Except as provided in section 8(b) of this chapter,** this chapter applies only to a city or a county without a consolidated city that has a professional sports franchise playing the majority of its home games in a facility owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11.

SECTION 72. IC 36-7-31.3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. As used in this chapter, "covered taxes" means **the part of** the following **taxes attributable to the operation of a facility designated as part of a tax area under section 8 of this chapter:**

(1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.

(2) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.



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(3) A county option income tax imposed under IC 6-3.5.

(4) **Except in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000),** a food and beverage tax imposed under IC 6-9.

SECTION 73. IC 36-7-31.3-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 5.5. As used in this chapter, "designating body" means a:**

(1) city legislative body; or

(2) county legislative body;

that may establish a tax area under this chapter.

SECTION 74. IC 36-7-31.3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 8. (a) Except as provided in subsection (d), a city or county legislative designating body may ~~establish~~ designate as part of a professional sports and convention development area any facility that is:**

(1) owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used by a professional sports franchise for practice or competitive sporting events; or

(2) owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used as one (1) of the following:

(A) A facility used principally for convention or tourism related events serving national or regional markets.

(B) An airport.

(C) A museum.

(D) A zoo.

(E) A facility used for public attractions of national significance.

(F) A performing arts venue.

(G) A county courthouse registered on the National Register of Historic Places.

A facility may not include a private golf course or related improvements. The tax area may include only facilities described in this section and any parcel of land on which ~~the~~ a facility is located. An area may contain noncontiguous tracts of land within the city, ~~or~~ county, ~~or school corporation.~~

(b) Except for a tax area that is located in a city having a population of:

(1) more than one hundred fifty thousand (150,000) but less



1 than five hundred thousand (500,000); or
 2 (2) more than ninety thousand (90,000) but less than one
 3 hundred five thousand (105,000);
 4 a tax area must include at least one (1) facility described in
 5 subsection (a)(1).

6 (c) Except as provided in subsection (d), a tax area may contain
 7 other facilities not owned by the designating body if:

8 (1) the facility is owned by a city, the county, a school
 9 corporation, or a board established under IC 36-9-13,
 10 IC 36-10-8, IC 36-10-10, or IC 36-10-11; and

11 (2) an agreement exists between the designating body and the
 12 owner of the facility specifying the distribution and uses of the
 13 covered taxes to be allocated under this chapter.

14 (d) In a city having a population of more than ninety thousand
 15 (90,000) but less than one hundred five thousand (105,000), the
 16 designating body may designate only one (1) facility as part of a tax
 17 area. The facility designated as part of the tax area may not be a
 18 facility described in subsection (a)(1).

19 SECTION 75. IC 36-7-31.3-9, AS AMENDED BY P.L.174-2001,
 20 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2002]: Sec. 9. (a) A tax area must be initially established by
 22 resolution:

23 (1) except as provided in subdivision (2), before July 1, 1999; or

24 (2) in the case of a second class city, before July 1, ~~2002~~, **2003**;
 25 according to the procedures set forth for the establishment of an
 26 economic development area under IC 36-7-14. A tax area may be
 27 changed or the terms governing the tax area revised in the same manner
 28 as the establishment of the initial tax area. **Only one (1) tax area may**
 29 **be created in each county.**

30 (b) In establishing the tax area, the ~~city or county legislative~~
 31 **designating** body must make the following findings instead of the
 32 findings required for the establishment of economic development areas:

33 (1) **Except for a tax area in a city having a population of:**

34 (A) **more than one hundred fifty thousand (150,000) but**
 35 **less than five hundred thousand (500,000); or**

36 (B) **more than ninety thousand (90,000) but less than one**
 37 **hundred five thousand (105,000);**

38 there is a capital improvement that will be undertaken or has been
 39 undertaken in the tax area for a facility that is used

40 ~~(A) by a professional sports franchise for practice or~~

41 ~~(B) for convention or tourism related events.~~ **competitive**
 42 **sporting events.**



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A tax area to which this subdivision applies may also include a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.

(2) For a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a) of this chapter.

(3) For a tax area in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.

(4) The capital improvement that will be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

(5) The capital improvement that will be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(c) The tax area established under this chapter is a special taxing district authorized by the general assembly to enable the designating body to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 76. IC 36-7-31.3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the ~~city or county legislative designating~~ body shall submit the resolution to the budget committee for review and recommendation to the budget agency.

SECTION 77. IC 36-7-31.3-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. When the ~~city or county legislative designating~~ body adopts an allocation provision, the county auditor shall notify the department by certified mail of the adoption of the provision and shall include with the notification a complete list of the following:

(1) Employers in the tax area.

(2) Street names and the range of street numbers of each street in the tax area.

The county auditor shall update the list before July 1 of each year.



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SECTION 78. IC 36-7-31.3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. The department shall notify the county auditor of the amount of taxes to be distributed to the county treasurer. **For tax areas described in section 8(c) of this chapter, the department shall notify the county auditor of the amount of taxes to be distributed to each party to the agreement. The notice must specify the distribution and uses of covered taxes to be allocated under this chapter.**

SECTION 79. IC 36-7-31.3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. The resolution establishing the tax area must designate the use of the funds. The funds are to be used only for **the following:**

(1) **Except in a tax area in a city having a population of:**

(A) **more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or**

(B) **more than ninety thousand (90,000) but less than one hundred five thousand (105,000);**

a capital improvement that will construct or equip a facility

~~(A) owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise or~~

~~(B) for practice or competitive sporting events. In a tax area to which this subdivision applies, funds may also be used for a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for convention and tourism related events; or any purpose specified in section 8(a)(2) of this chapter.~~

(2) **In a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a capital improvement that will construct or equip a facility owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a) of this chapter.**

(3) **In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a)(2) of this chapter.**

(4) **The financing or refinancing of a capital improvement**



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described in subdivision (1), **(2), or (3)** or the payment of lease payments for a capital improvement described in subdivision (1), **(2), or (3).**

SECTION 80. IC 36-7-31.3-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 20. The ~~city or county~~ **legislative designating** body shall repay to the professional sports development area fund any amount that is distributed to the ~~city or county~~ **legislative designating** body and used for:

- (1) a purpose that is not described in this chapter; or
- (2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 10 of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

SECTION 81. IC 36-8-11-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 26. After a sufficient appropriation for the purchase of firefighting apparatus and equipment, including housing, is made and is available, the district's fiscal officer, with the approval of the board and the county fiscal body, may purchase the firefighting apparatus and equipment for the district on an installment conditional sale or mortgage contract running for a period not exceeding:

- (1) six (6) years; or
- (2) fifteen (15) years for a district that:
 - (A) has a total assessed value of ~~twenty six~~ **twenty six** million dollars ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the ~~state board of tax commissioners;~~ **department of local government finance;** and
 - (B) is purchasing the firefighting equipment with funding from the:
 - (i) state or its instrumentalities; or
 - (ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

SECTION 82. IC 36-8-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 5. After a sufficient appropriation has been made and approved and is available for the purchase of firefighting apparatus and equipment, including housing, the township executive, with the



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approval of the township legislative body, may purchase it for the township on an installment conditional sale or mortgage contract running for a period not exceeding:

- (1) six (6) years; or
- (2) fifteen (15) years for a township that:
 - (A) has a total assessed value of ~~twenty six~~ **twenty six** million dollars ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the ~~state board of tax commissioners;~~ **department of local government finance;** and
 - (B) is purchasing the firefighting equipment with funding from the:
 - (i) state or its instrumentalities; or
 - (ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

SECTION 83. IC 36-8-19-8.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 8.7. After a sufficient appropriation for the purchase of firefighting apparatus and equipment, including housing, is made and is available, the participating units, with the approval of the fiscal body of each participating unit, may purchase the firefighting apparatus and equipment for the territory on an installment conditional sale or mortgage contract running for a period not exceeding:

- (1) six (6) years; or
- (2) fifteen (15) years for a territory that:
 - (A) has a total assessed value of ~~twenty six~~ **twenty six** million dollars ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the ~~state board of tax commissioners;~~ **department of local government finance;** and
 - (B) is purchasing the firefighting equipment with funding from the:
 - (i) state or its instrumentalities; or
 - (ii) federal government or its instrumentalities.

The purchase shall be amortized in equal or approximately equal installments payable on January 1 and July 1 each year.

SECTION 84. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 6-1.1-4-13.6; IC 6-1.1-4-13.8; IC 6-1.1-33; IC 6-1.1-38.

SECTION 85. P.L.198-2001, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001 (RETROACTIVE)]: SECTION 117. (a) IC 6-1.1-15-3 and IC 6-1.1-15-4, both as amended by ~~this act,~~ **P.L.198-2001**, apply to

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petitions for review filed under IC 6-1.1-15-3, as amended by ~~this act~~, **P.L.198-2001**, with respect to notices of action of the county property tax assessment board of appeals issued after December 31, 2001.

(b) IC 6-1.1-15-5 and IC 6-1.1-15-6, both as amended by ~~this act~~, **P.L.198-2001**, apply to petitions for judicial review of final determinations issued under IC 6-1.1-15-4, as amended by ~~this act~~, **P.L.198-2001**, after December 31, 2001.

(c) Petitions for review filed under IC 6-1.1-15-3 with respect to notices of action of the county property tax assessment board of appeals issued before January 1, 2002, that are pending before the state board of tax commissioners on December 31, 2001:

(1) are transferred to the Indiana board of tax review; and

(2) are subject to the law in effect before amendments under ~~this act~~, **P.L.198-2001**.

The state board of tax commissioners shall transfer to the Indiana board of tax review by January 1, 2002, the records relating to each petition for review referred to in this subsection.

(d) **Except as provided in subsection (e)**, appeals initiated under IC 6-1.1-15-5 of final determinations of the state board of tax commissioners issued before January 1, 2002, are subject to the law in effect before amendments under ~~this act~~, **P.L.198-2001**.

(e) **Appeals initiated under IC 6-1.1-15-5 of final determinations of the state board of tax commissioners issued after June 30, 2001, and before January 1, 2002, are subject to IC 33-3-5-14.7, as added by P.L.198-2001.**

(f) IC 33-3-5-14, as amended by ~~this act~~, **P.L.198-2001**, and IC 33-3-5-14.2, IC 33-3-5-14.5, and IC 33-3-5-14.8, all as added by ~~this act~~, **P.L.198-2001**, apply to appeals initiated under IC 6-1.1-15-5, as amended by ~~this act~~, **P.L.198-2001**, of final determinations of the Indiana board of tax review issued after December 31, 2001.

(f) (g) The following, each as amended by ~~this act~~, **P.L.198-2001**, apply to refunds on refund claims filed after December 31, 2001:

IC 6-1.1-26-2

IC 6-1.1-26-3

IC 6-1.1-26-4

IC 6-1.1-26-5.

SECTION 86. [EFFECTIVE UPON PASSAGE] **The appointment by the governor of the commissioner of the department of local government finance before the effective date of this act is legalized and validated as if the appointment had been made on or after the effective date of this act.**

SECTION 87. [EFFECTIVE JANUARY 1, 2002]



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(RETROACTIVE)] (a) IC 13-21-3-15.5, as added by this act, applies to property taxes first due and payable after December 31, 2001.

(b) The following, all as amended by this act, apply to property taxes first due and payable after December 31, 2001:

IC 6-1.1-17-3

IC 6-1.1-17-5

IC 6-1.1-17-13

IC 6-1.1-18.5-9.8

IC 6-1.1-18.5-12

IC 6-1.1-19-2

IC 8-16-3.1-4

IC 13-21-3-12

IC 21-2-15-11

IC 36-8-11-26

IC 36-8-13-5

IC 36-8-19-8.7.

(c) IC 6-1.1-20-1.1, IC 6-1.1-20-3.1, and IC 6-1.1-20-3.2, all as amended by this act, apply to bonds and leases for which notice under IC 6-1.1-20-3.1, as amended by this act, is published and sent after June 30, 2002.

(d) This SECTION expires January 1, 2003.

SECTION 88. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-2.8, as added by this act, may adopt an ordinance to increase the county's adjusted gross income tax rate after March 31, 2002, and before September 20, 2002.

(b) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under subsection (a) takes effect January 1, 2003.

(c) This SECTION expires January 2, 2003.

SECTION 89. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of state revenue.

(b) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-2.9, as added by this act, may adopt an ordinance to increase the county's county adjusted gross income tax rate after March 31, 2002, and before September 20, 2002.

(c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under this SECTION before June 1, 2002, takes effect July 1, 2002. In determining the certified distribution for the calendar year beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be performed before July 2, 2002, for a county adopting an ordinance

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1 within the time specified in this subsection, the department shall
 2 take into account the certified ordinance forwarded to the
 3 department under IC 6-3.5-1.1-3(c) in determining the amount of
 4 the county's certified distribution for the calendar year beginning
 5 January 1, 2003.

6 (d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
 7 this SECTION after May 31, 2002, takes effect January 1, 2003.
 8 Not later than thirty (30) days after receiving the certified
 9 ordinance under IC 6-3.5-1.1-3(c) from a county adopting an
 10 ordinance within the time specified in this subsection, the
 11 department shall revise the county's certified distribution
 12 determined under IC 6-3.5-1.1-9 for the calendar year beginning
 13 January 1, 2003, to take into account the increased county adjusted
 14 gross income tax rate specified in the certified ordinance.
 15 Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first
 16 distribution reflecting the increased county adjusted gross income
 17 tax rate shall be made to the county treasurer beginning November
 18 1, 2003.

19 (e) This SECTION expires January 1, 2004.

20 SECTION 90. [EFFECTIVE UPON PASSAGE] (a) As used in this
 21 SECTION, "department" refers to the department of state
 22 revenue.

23 (b) Notwithstanding IC 6-3.5-1.1-3, the county council of a
 24 county described in IC 6-3.5-1.1-3.6, as added by this act, may
 25 adopt an ordinance to increase the county's county adjusted gross
 26 income tax rate after March 31, 2002, and before September 20,
 27 2002.

28 (c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
 29 this SECTION before June 1, 2002, takes effect July 1, 2002. In
 30 determining the certified distribution for the calendar year
 31 beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be
 32 performed before July 2, 2002, for a county adopting an ordinance
 33 within the time specified in this subsection, the department shall
 34 take into account the certified ordinance forwarded to the
 35 department under IC 6-3.5-1.1-3(c) in determining the amount of
 36 the county's certified distribution for the calendar year beginning
 37 January 1, 2003.

38 (d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
 39 this SECTION after May 31, 2002, takes effect January 1, 2003.
 40 Not later than thirty (30) days after receiving the certified
 41 ordinance under IC 6-3.5-1.1-3(c) from a county adopting an
 42 ordinance within the time specified in this subsection, the



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1 department shall revise the county's certified distribution
2 determined under IC 6-3.5-1.1-9 for the calendar year beginning
3 January 1, 2003, to take into account the increased county adjusted
4 gross income tax rate specified in the certified ordinance.
5 Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first
6 distribution reflecting the increased county adjusted gross income
7 tax rate shall be made to the county treasurer beginning November
8 1, 2003.

9 (e) This SECTION expires January 1, 2004.

10 SECTION 91. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-10-21,
11 as amended by this act, applies only to property taxes first due and
12 payable after December 31, 2002.

13 (b) This SECTION expires January 1, 2004.

14 SECTION 92. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1196, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the amendment adopted by the consent of the House Ways and Means Committee on January 29, 2002.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-21.5-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The following ~~persons~~ have standing to obtain judicial review of an agency action:

- (1) A person to whom the agency action is specifically directed.
- (2) A person who was a party to the agency proceedings that led to the agency action.
- (3) A person eligible for standing under a law applicable to the agency action.
- (4) A person otherwise aggrieved or adversely affected by the agency action.

(5) The department of local government finance with respect to judicial review of a final determination of the Indiana board of tax review in an action in which the department has intervened under IC 6-1.1-15-5(b).

(b) A person has standing under subsection (a)(4) only if:

(1) the agency action has prejudiced or is likely to prejudice the interests of the person;

(2) the person:

(A) was eligible for an initial notice of an order or proceeding under this article, was not notified of the order or proceeding in substantial compliance with this article, and did not have actual notice of the order or proceeding before the last date in the proceeding that the person could object or otherwise intervene to contest the agency action; or

(B) was qualified to intervene to contest an agency action under IC 4-21.5-3-21(a), petitioned for intervention in the proceeding, and was denied party status;

(3) the person's asserted interests are among those that the agency was required to consider when it engaged in the agency action challenged; and

(4) a judgment in favor of the person would substantially eliminate or redress the prejudice to the person caused or likely

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to be caused by the agency action.

SECTION 1. IC 6-1.1-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. The township assessor shall:

- (1) examine and verify; or
- (2) **allow a contractor under IC 6-1.1-36-12 to examine and verify;**

the accuracy of each personal property return filed with ~~him~~ **the township assessor** by a taxpayer. If appropriate, the assessor **or contractor under IC 6-1.1-36-12** shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

SECTION 2. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

~~(b) In making a general reassessment of land used for agriculture, the county assessor shall appoint a committee of five (5) competent persons to help determine land values. At least two (2) of the committee members must be agricultural land owners of the county. The committee shall be known as the county agricultural land advisory committee. The indicators of value determined by this committee shall be submitted to the tax commissioners' agricultural advisory council, as established under IC 6-1.1-38-1, as guides for ascertaining the value of agricultural land.~~

~~(c)~~ **(b)** The ~~state board of tax commissioners~~ **department of local government finance** shall give written notice to each county assessor of:

- (1) the availability of the United States Department of Agriculture's soil survey data; and
- (2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land.

~~(d)~~ **(c)** The ~~state board of tax commissioners~~ **department of local government finance** shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

~~(e)~~ **(d)** This section does not apply to land purchased for industrial, commercial, or residential uses.

SECTION 3. IC 6-1.1-4-25, AS AMENDED BY P.L.198-2001, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 25. (a) Each township assessor shall keep the assessor's reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. The township assessor's records shall at all times show the assessed value of real property in accordance with the provisions of this chapter. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

(b) The township assessor in a county having a consolidated city, or the county assessor in every other county, shall:

(1) maintain an electronic data file of:

(A) the parcel characteristics and parcel assessments of all parcels; **and**

(B) the personal property return characteristics and assessments by return;

for each township in the county as of each assessment date; ~~that is~~

(2) maintain the file in the form required by:

(A) the legislative services agency; and

(B) the department of local government finance; and

~~(2)~~ **(3) transmit the data in the file** with respect to the assessment date of each year before October 1 of the year to:

(A) the legislative services agency; and

(B) the department of local government finance.

SECTION 4. IC 6-1.1-4-27.5, AS ADDED BY P.L.198-2001, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in the county's property reassessment fund.

(b) With respect to the general reassessment of real property which is to commence on July 1, 2004, the county council of each county shall, for property taxes due in the year in which the general reassessment is to commence and the two (2) years immediately preceding that year, levy against all the taxable property of the county an amount equal to one-third (1/3) of the estimated cost of the general reassessment.

(c) With respect to a general reassessment of real property that is to commence on July 1, 2008, and each fourth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the three (3) years preceding

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that year, levy against all the taxable property in the county an amount equal to one-fourth (1/4) of the estimated cost of the general reassessment.

(d) The state board of tax commissioners or the department of local government finance shall give to each county council notice, before January 1 **in a year** of the tax levies required by this section **for that year**.

(e) The state board of tax commissioners or the department of local government finance may raise or lower the property ~~taxes levied tax~~ **levy** under this section for a year if the state board or the department determines it is appropriate because the estimated cost of ~~the a~~ general reassessment, **including a general reassessment to be completed for the March 1, 2002, assessment date**, has changed.

(f) If the county council determines that there is insufficient money in the county's reassessment fund to pay all expenses (as permitted under ~~section sections 28 28.5 and 32~~ of this chapter) relating to the general reassessment of real property commencing July 1, 2000, the county may, for the purpose of paying expenses (as permitted under ~~section sections 28 28.5 and 32~~ of this chapter) relating to the general reassessment commencing July 1, 2000, use money deposited in the fund from ~~taxes levied in the tax levy under this section for~~ 2000 or a later year.

SECTION 5. IC 6-1.1-4-32, AS ADDED BY P.L.151-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) **As used in this section, "contract" refers to a contract entered into under this section.**

(b) As used in this section, "contractor" refers to a firm that enters into a contract with the state board of tax commissioners (before January 1, 2002) or the department of local government finance (after December 31, 2001) under this section.

(c) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

~~(b)~~ (d) Notwithstanding ~~IC 6-1.1-4-15 sections 15 and IC 6-1.1-4-17, 17 of this chapter~~ a township assessor in a qualifying county may not appraise property, or have property appraised, for the general reassessment of real property to be completed for the March 1, 2002, assessment date. Completion of that general reassessment in a qualifying county is instead governed by this section. The only duty of:

(1) a township assessor in a qualifying county; or

(2) a county assessor of a qualifying county;

with respect to that general reassessment is to provide to the ~~state board~~

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~~department of tax commissioners~~ **local government finance** or the ~~state board's department's~~ contractor under subsection ~~(c)~~ **(e)** any support and information requested by the state board **(before January 1, 2002), department (after December 31, 2001),** or the contractor. **This subsection expires June 30, 2004.**

~~(c)~~ **(e)** The state board of tax commissioners **(before January 1, 2002) and the department of local government finance (after December 31, 2001)** shall select and contract with a nationally recognized certified public accounting firm with expertise in the appraisal of real property to appraise property for the general reassessment of real property in a qualifying county to be completed for the March 1, 2002, assessment date. **The department of local government finance may enter into additional contracts to provide software or other auxiliary services to be used for the appraisal of property for the general reassessment.** The contract applies for the appraisal of land and improvements with respect to all classes of real property in the qualifying county. The contract must include:

- (1) a provision requiring the appraisal firm to:
 - (A) prepare a detailed report of:
 - (i) expenditures made after July 1, 1999, and before the date of the report from the qualifying county's reassessment fund under ~~IC 6-1.1-4-28; section 28 of this chapter (repealed);~~ and
 - (ii) the balance in the reassessment fund as of the date of the report; and
 - (B) file the report with:
 - (i) the legislative body of the qualifying county;
 - (ii) the prosecuting attorney of the qualifying county;
 - (iii) the ~~state board department of tax commissioners;~~ **local government finance;** and
 - (iv) the attorney general;
- (2) a fixed date by which the appraisal firm must complete all responsibilities under the contract;
- (3) **subject to subsection (t),** a provision requiring the appraisal firm to use the land values determined for the qualifying county under ~~IC 6-1.1-4-13.6; section 13.6 of this chapter;~~
- (4) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;
- (5) a provision requiring the appraisal firm to make periodic reports to the ~~state board department of tax commissioners;~~ **local government finance;**



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- (6) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (5) are to be made;
- (7) a precise stipulation of what service or services are to be provided;
- (8) a provision requiring the appraisal firm to deliver a report of the assessed value of each parcel in a township in the qualifying county to the ~~state board of tax commissioners;~~ **local government finance;** and
- (9) any other provisions required by the ~~state board of tax commissioners;~~ **local government finance.**

After December 31, 2001, the department of local government finance has all the powers and duties of the state board of tax commissioners provided under a contract entered into under this subsection (as effective before January 1, 2002) before January 1, 2002. The contract is valid to the same extent as if it were entered into by the department of local government finance. However, a reference in the contract to the state board of tax commissioners shall be treated as a reference to the department of local government finance. The contract shall be treated for all purposes, including the application of IC 33-3-5-2.5, as the contract of the department of local government finance. This subsection expires June 30, 2004.

(f) At least one (1) time each month, the contractors that will make physical visits to the site of real property for reassessment purposes shall publish a notice under IC 5-3-1 describing the areas that are scheduled to be visited within the next thirty (30) days and explaining the purposes of the visit. The notice shall be published in a way to promote understanding of the purposes of the visit in the affected areas. After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (e), the ~~state board of tax commissioners;~~ **local government finance shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment is subject to appeal by the taxpayer to the ~~state Indiana board of tax commissioners.~~ Except as provided in subsection ~~(e);~~ **(g)**, the procedures and time limitations that apply to an appeal to the ~~state Indiana board of tax commissioners~~ of a determination of the county property tax assessment board of appeals under IC 6-1.1-15 apply to an appeal under this subsection. A determination by the ~~state Indiana board of tax commissioners~~ of an appeal under this subsection is subject to appeal to the tax court under IC 6-1.1-15. **This subsection****



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expires on the later of June 30, 2004, or the date a final determination is entered in the last pending appeal filed under this subsection.

~~(e)~~ (g) In order to obtain a review by the ~~state Indiana~~ board of tax commissioners under subsection ~~(d)~~, (f), the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the ~~state board department of tax commissioners~~ local government finance is given to the taxpayer under subsection ~~(d)~~: (f). **This subsection expires June 30, 2004.**

~~(f)~~ (h) The ~~state board department of tax commissioners~~ local government finance shall mail the notice required by subsection ~~(d)~~ (f) within ninety (90) days after the ~~board department of local government finance~~ receives the report for a parcel from the professional appraisal firm. **This subsection expires June 30, 2004.**

~~(g)~~ (i) The qualifying county shall pay the cost of a any contract under this section ~~shall be paid without appropriation~~ from the county property reassessment fund. of the qualifying county established under ~~IC 6-1.1-4-27~~. However, the maximum amount that the qualifying county is obligated to pay for all contracts entered into under subsection (e) for the general reassessment of real property in the qualifying county to be completed for the March 1, 2002, assessment date is twenty-five million one hundred thousand dollars (\$25,100,000). A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;
- (2) obtains from the department of local government finance:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the qualifying county:
 - (A) a duplicate copy of the bill submitted to the department of local government finance;
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and



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(C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection. This subsection expires June 30, 2004.

(~~h~~) (j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the state board of tax commissioners (**before January 1, 2002**) and the department of local government finance (**after December 31, 2001**) under this section:

- (1) The commissioner of the **Indiana** department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.
- (4) The governor.

(~~i~~) (k) With respect to a general reassessment of real property to be completed under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** for an assessment date after the March 1, 2002, assessment date, the ~~state board department of tax commissioners~~ **local government finance** shall initiate a review with respect to the real property in a qualifying county or a township in a qualifying county, or a portion of the real



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property in a qualifying county or a township in a qualifying county. The ~~state board department of local government finance~~ may contract to have the review performed by an appraisal firm. The ~~state board department of local government finance~~ or its contractor shall determine for the real property under consideration and for the qualifying county or township the variance between:

- (1) the total assessed valuation of the real property within the qualifying county or township; and
- (2) the total assessed valuation that would result if the real property within the qualifying county or township were valued in the manner provided by law.

~~(j)~~ **(l)** If:

- (1) the variance determined under subsection ~~(j)~~ **(k)** exceeds ten percent (10%); and
- (2) the ~~state board department of~~ **tax commissioners local government finance** determines after holding hearings on the matter that a special reassessment should be conducted;

the ~~state board department of local government finance~~ shall contract for a special reassessment by an appraisal firm to correct the valuation of the property.

~~(k)~~ **(m)** If the variance determined under subsection ~~(j)~~ **(k)** is ten percent (10%) or less, the ~~state board department of~~ **tax commissioners local government finance** shall determine whether to correct the valuation of the property under:

- (1) sections 9 and 10 of this chapter; or
- (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

~~(h)~~ **(n)** The ~~state board department of~~ **tax commissioners local government finance** shall give notice by mail to a taxpayer of a hearing concerning the ~~state board's intent of the department of local government finance~~ to cause the taxpayer's property to be reassessed under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed. The ~~state board department of local government finance~~ may conduct a single hearing under this section with respect to multiple properties. The notice must state:

- (1) the time of the hearing;
- (2) the location of the hearing; and
- (3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the ~~state board's intent of the department of local government finance~~ to reassess property under this chapter.

~~(m)~~ **(o)** If the ~~state board department of~~ **tax commissioners local**

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government finance determines after the hearing that property should be reassessed under this section, the ~~state board~~ **department of local government finance** shall:

- (1) cause the property to be reassessed under this section;
- (2) mail a certified notice of its final determination to the county auditor of the qualifying county in which the property is located; and
- (3) notify the taxpayer by mail of its final determination.

~~(m)~~ **(p)** A reassessment may be made under this section only if the notice of the final determination under subsection ~~(h)~~ **(n)** is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

~~(o)~~ **(q)** If the ~~state board~~ **department of tax commissioners local government finance** contracts for a special reassessment of property under this section, the ~~state board~~ shall forward the bill for services of the contractor to the county auditor; and the ~~qualifying~~ county shall pay the bill, **without appropriation**, from the county **property** reassessment fund. **A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:**

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;**
- (2) obtains from the department of local government finance:**
 - (A) approval of the form and amount of the bill; and**
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and**
- (3) files with the county auditor of the qualifying county:**
 - (A) a duplicate copy of the bill submitted to the department of local government finance;**
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and**
 - (C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.**

An approval and a certification under subdivision (2) shall be



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treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

~~(p)~~ (r) A township assessor in a qualifying county or a county assessor of a qualifying county shall provide information requested in writing by the ~~state board~~ **department of tax commissioners local government finance** or the ~~state board's department's~~ contractor under this section not later than seven (7) days after receipt of the written request from the ~~state board~~ **department** or the contractor. If a township assessor or county assessor fails to provide the requested information within the time permitted in this subsection, the ~~state board~~ **department of tax commissioners local government finance** or the ~~state board's department's~~ contractor may seek an order of the tax court under IC 33-3-5-2.5 for production of the information.

~~(q)~~ (s) The provisions of this section are severable in the manner provided in IC 1-1-1-8(b).

(t) A contract entered into under subsection (e) is subject to this subsection. A contractor shall use the land values determined for the qualifying county under section 13.6 of this chapter to the extent that the contractor finds that the land values reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. If the contractor finds that the land values determined for the qualifying county under section 13.6 of this chapter do not reflect the true tax value of land,



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the contractor shall determine land values for the qualifying county that reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. The land values determined by the contractor shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The contractor shall notify the county assessor and the township assessors in the qualifying county of the land values as modified under this subsection. This subsection expires June 30, 2004.

(u) A contractor acting under a contract under subsection (e) may notify the department of local government finance if:

(1) the county auditor fails to:

- (A) certify the bill;
- (B) publish the claim;
- (C) submit the claim to the county executive; or
- (D) issue a warrant or check;

as required in subsection (i) at the first opportunity the county auditor is legally permitted to do so;

(2) the county executive fails to allow the claim as required in subsection (i) at the first opportunity the county executive is legally permitted to do so; or

(3) a person or entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts the process under this section for payment of a bill submitted by a contractor under subsection (i).

This subsection expires June 30, 2004.

(v) The department of local government finance, upon receiving notice under subsection (u) from the contractor, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

- (A) a failure occurred as described in subsection (b)(1) or (b)(2); or
- (B) a person or entity acted or failed to act as described in subsection (b)(3); and

(2) provide to the treasurer of state the department of local government finance's approval under subsection (i)(2)(A) of the bill with respect to which the contractor gave notice under subsection (u).

This subsection expires June 30, 2004.

(w) Upon receipt of the approval of the department of local government finance under subsection (v), the treasurer of state

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shall pay the contractor the amount of the bill approved by the department of local government finance from money in the possession of the state that would otherwise be available for distribution to the qualifying county, including distributions from the property tax replacement fund or distributions of admissions taxes or wagering taxes. This subsection expires June 30, 2004.

(x) The treasurer of state shall withhold from the part attributable to the county of the next distribution to the county treasurer under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or another law the amount of any payment made by the treasurer of state to the contractor under subsection (w). Money shall be deducted first from money payable under IC 6-1.1-21.4(b) and then from all other funds payable to the qualifying county. This subsection expires June 30, 2004.

(y) Compliance with subsections (u) through (x) shall be treated as compliance with IC 5-11-10. This subsection expires June 30, 2004.

(z) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (u) through (x). This subsection and subsections (u) through (y) shall be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county under this section are paid. Nothing in this subsection or subsections (u) through (y) shall be construed to create a debt of the state. This subsection expires June 30, 2004.

SECTION 6. IC 6-1.1-5-9.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.1. (a) Except:

(1) as provided in subsection (b); and

(2) for civil townships described in section 9 of this chapter; and notwithstanding the provisions of sections 1 through 8 of this chapter, for all other civil townships having a population of thirty-five thousand (35,000) or more, **for a civil township that falls below a population of thirty-five thousand (35,000) at a federal decennial census that takes effect after December 31, 2001**, and for all other civil townships in which a city of the second class is located, the township assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter.

(b) **In a civil township that attains a population of thirty-five thousand (35,000) or more at a federal decennial census that takes effect after December 31, 2001, the township assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter only if the county auditor and the township**

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assessor agree to transfer the duty from the county auditor to the township assessor.

(c) With respect to ~~these~~ townships **in which the township assessor makes the real property lists and the plats described in sections 1 through 8 of this chapter**, the county auditor shall, upon completing the tax duplicate, return the real property lists to the township assessor for the continuation of the lists by the assessor. If land located in one (1) of these townships is platted, the plat shall be presented to the township assessor instead of the county auditor, before it is recorded. The township assessor shall then enter the lots or parcels described in the plat on the tax lists in lieu of the land included in the plat.

SECTION 7. IC 6-1.1-5.5-4, AS AMENDED BY P.L.198-2001, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) A person filing a sales disclosure form under this chapter shall pay a fee of five dollars (\$5) to the county auditor.

(b) Eighty percent (80%) of the revenue **collected under this section and section 12 of this chapter** shall be deposited in the county sales disclosure fund established under section 4.5 of this chapter. Twenty percent (20%) of the revenue shall be transferred to the state treasurer for deposit in the state assessment training fund established under section 4.7 of this chapter.

SECTION 8. IC 6-1.1-5.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) A person who knowingly and intentionally:

- (1) falsifies the value of transferred real property; or
- (2) omits or falsifies any information required to be provided in the sales disclosure form;

commits a Class A ~~infraction~~ **misdemeanor**.

(b) A public official who knowingly and intentionally accepts:

- (1) a sales disclosure document for filing that:
 - (A) falsifies the value of transferred real property; or
 - (B) omits or falsifies any information required to be provided in the sales disclosure form; or
- (2) a conveyance document for recording in violation of section 6 of this chapter;

commits a Class A infraction.

SECTION 9. IC 6-1.1-5.5-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 12. (a) A party to a conveyance who:**

- (1) is required to file a sales disclosure form under this



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chapter; and
 (2) fails to file a sales disclosure form at the time and in the manner required by this chapter;
 is subject to a penalty in the amount determined under subsection (b).

(b) The amount of the penalty under subsection (a) is the greater of:

- (1) twenty-five dollars (\$25); or
- (2) twenty five thousandths of one percent (.025%) of the sale price of the real property transferred under the conveyance document.

(c) The county assessor shall:

- (1) determine the penalty imposed under this section;
- (2) assess the penalty to the party to a conveyance;
- (3) notify the party to the conveyance that the penalty is payable not later than thirty (30) days after notice of the assessment;
- (4) collect the penalty;
- (5) deposit penalty collections as required under section 4 of this chapter; and
- (6) notify the county prosecuting attorney of delinquent payments.

(d) The county prosecuting attorney shall initiate an action to recover a delinquent penalty under this section. In a successful action against a person for a delinquent penalty, the court shall award the county prosecuting attorney reasonable attorney's fees.

SECTION 10. IC 6-1.1-8-30, AS AMENDED BY P.L.198-2001, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 30. If a public utility company files its objections to the department of local government finance's tentative assessment of the company's distributable property in the manner prescribed in section 28 of this chapter, the company may initiate an appeal of the department's final assessment of that property by filing a petition with the Indiana board not more than ~~twenty (20)~~ **forty-five (45)** days after the department gives the public utility notice of the final determination. The public utility may petition for judicial review of the Indiana board's final determination to the tax court under IC 4-21.5-5. However, the company must:

- (1) **file a verified** petition for judicial review; and
- (2) mail to the county auditor of each county in which the public utility company's distributable property is located:
 - (A) a notice that the complaint was filed; and



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(B) instructions for obtaining a copy of the complaint; within ~~twenty (20)~~ **forty-five (45)** days after the date of the notice of the Indiana board's final determination.

SECTION 11. IC 6-1.1-10-21, AS AMENDED BY P.L.198-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

- (1) A building which is used for religious worship.
- (2) Buildings that are used as parsonages.
- (3) The pews and furniture contained within a building which is used for religious worship.
- (4) The tract of land, not exceeding ~~fifteen (15)~~ **fifty (50)** acres, upon which a building described in this section is situated.

(b) To obtain an exemption for parsonages, a church or religious society must provide the county auditor with an affidavit at the time the church or religious society applies for the exemptions. The affidavit must state that:

- (1) all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
- (2) none of the parsonages are being used to make a profit.

The affidavit shall be signed under oath by the church's or religious society's head rabbi, priest, preacher, minister, or pastor. The county auditor shall immediately forward a copy of the affidavit to the county assessor.

(c) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

SECTION 12. IC 6-1.1-11-3, AS AMENDED BY P.L.198-2001, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) An owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the ~~auditor~~ **county assessor** of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before May 15 on forms prescribed by the department of local government finance. ~~The county auditor shall immediately forward a copy of the certified application to the county assessor.~~ Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by

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an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

- (1) A description of the property claimed to be exempt in sufficient detail to afford identification.
- (2) A statement showing the ownership, possession, and use of the property.
- (3) The grounds for claiming the exemption.
- (4) The full name and address of the applicant.
- (5) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

SECTION 13. IC 6-1.1-15-1, AS AMENDED BY P.L.198-2001, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for review under this section; and
- (2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the assessor of the county in which the action is taken:

- (1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or
- (2) May 10 of that year;

whichever is later. The county assessor shall notify the county auditor that the assessment is under appeal.

(c) A change in an assessment made as a result of an appeal filed:

- (1) in the same year that notice of a change in the assessment is

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given to the taxpayer; and

(2) after the time prescribed in subsection (b);
becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The department of local government finance shall prescribe the form of the petition for review of an assessment determination by a township assessor. The department shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the department. The form must require the petitioner to specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination.
- (2) All other facts relevant to the assessment determination.
- (3) The reasons why the petitioner believes that the assessment determination by the township assessor is erroneous.

(f) The department of local government finance shall prescribe a form for a response by the township assessor to the petition for review of an assessment determination. The department shall issue instructions for completion of the form. The form must require the township assessor to indicate:

- (1) agreement or disagreement with each item indicated on the petition under subsection (e); and
- (2) the reasons why the assessor believes that the assessment determination is correct.

(g) Immediately upon receipt of a timely filed petition on the form prescribed under subsection (e), the county assessor shall forward a copy of the petition to the township assessor who made the challenged assessment. The township assessor shall, within thirty (30) days after the receipt of the petition, attempt to hold a preliminary conference with the petitioner and resolve as many issues as possible. Within ten (10) days after the conference, the township assessor shall forward to the county auditor and county assessor a completed response to the petition on the form prescribed under subsection (f). The county assessor shall immediately forward a copy of the response form to the

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petitioner and the county property tax assessment board of appeals. **If after the conference there are no items listed in the petition on which there is disagreement, the property tax assessment board of appeals may hold a hearing within ninety (90) days after the filing of the petition to review the agreement reached by the township assessor and the petitioner and to determine whether to change the assessment that would result from that agreement.** If after the conference there are items listed in the petition on which there is disagreement, the property tax assessment board of appeals shall hold a hearing within ninety (90) days of the filing of the petition on those items of disagreement, except as provided in ~~subsection~~ **subsections (h) and (i).** The taxpayer may present the taxpayer's reasons for disagreement with the assessment. **If the township assessor or county assessor for the county disagrees with the assessment, the township assessor or county assessor must present the basis for the assessment decision on these the items of disagreement to the board of appeals at the hearing and the reasons the petitioner's appeal should be denied on those items.** The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within sixty (60) days of the hearing, except as provided in ~~subsection~~ **subsections (h) and (i).** If the township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.

(h) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

- (1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and
- (2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

(i) **This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:**

- (1) **hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and**
- (2) **have a written record of the hearing and prepare a written statement of findings and a decision on each item within one**



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hundred twenty (120) days after the hearing.

(j) The county property tax assessment board of appeals:

- (1) may not require a taxpayer that files a petition for review under this section to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g); and
- (2) may require the parties to the appeal to file not more than ten (10) days before the date of the hearing required under subsection (g) lists of witnesses and exhibits to be introduced at the hearing.

SECTION 14. IC 6-1.1-15-5, AS AMENDED BY P.L.198-2001, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Within fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing within fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

- (1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and
- (2) shall issue a final determination within ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

Failure of the Indiana board to make a final determination within the time allowed under subdivision (2) shall be treated as a final determination affirming the original decision of the Indiana board.

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval

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of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the reassessment fund under IC 6-1.1-4-27. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. **The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A:**

- (1) township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section; or
- (2) county auditor who made the original enterprise zone inventory credit determination under appeal under IC 6-1.1-20.8; is a party to the review under this section to defend the determination.

(c) To initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) within:

- (1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or
- (2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(f) or 4(g) of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor or elected township assessor. If the county executive determines upon a request under this subsection to not appeal to the tax court, the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget.

SECTION 15. IC 6-1.1-15-8, AS AMENDED BY P.L.198-2001, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If a final determination by the Indiana board regarding the assessment of any tangible property is vacated, set aside, or adjudged null and void under the decision of the tax court



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under IC 4-21.5-5, the matter of the assessment of the property shall be remanded to the Indiana board for reassessment and further proceedings as specified in the decision of the tax court with instructions to the Indiana board to refer the matter to the:

- (1) department of local government finance with respect to an appeal of a determination made by the department; or
- (2) county property tax assessment board of appeals with respect to an appeal of a determination made by the county board;

to make another assessment. Upon remand, the Indiana board may take action only on those issues specified in the decision of the tax court.

(b) The ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** shall take action on a case ~~remanded~~ **referred** to it by the ~~tax court~~ **Indiana board under subsection (a)** not later than ninety (90) days after the date the ~~decision of the tax court is rendered;~~ **referral is made** unless an appeal of the final determination of the Indiana board is initiated under IC 4-21.5-5-16. The ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** may petition the ~~tax court~~ **Indiana board** at any time for an extension of the ninety (90) day period. An extension shall be granted upon a showing of reasonable cause.

(c) The taxpayer in a case remanded under subsection (a) may petition the tax court for an order requiring the ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** to show cause why action has not been taken pursuant to the ~~tax court's decision~~ **Indiana board's referral under subsection (a)** if:

- (1) at least ninety (90) days have elapsed since the ~~tax court's decision~~ **referral was rendered;** made;
- (2) the ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** has not taken action on the issues specified in the tax court's decision; and
- (3) an appeal of the tax court's decision has not been filed.

(d) If a case remanded under subsection (a) is appealed under IC 4-21.5-5-16, the ninety (90) day period provided in subsection (b) is tolled until the appeal is concluded.

SECTION 16. IC 6-1.1-15-9, AS AMENDED BY P.L.198-2001, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) If the assessment of tangible property

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is corrected by the ~~Indiana board~~ **department of local government finance or the county property tax assessment board of appeals** under section 8 of this chapter, the owner of the property has a right to appeal the ~~Indiana board's~~ final determination of the corrected assessment ~~in a case meeting the requirements of section 5(c)(1) or 5(c)(2) of this chapter, to the Indiana board.~~ The county executive also has a right to appeal the ~~Indiana board's~~ final determination of the reassessment **by the department of local government finance or the county property tax assessment board of appeals** but only upon request by the county assessor.

(b) An appeal under this section must be initiated in the manner prescribed in section ~~5 3~~ of this chapter **or IC 6-1.5-5."**

Page 13, between lines 2 and 3, begin a new paragraph and insert:
 "SECTION 22. IC 6-1.1-26-2, AS AMENDED BY P.L.198-2001, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The county auditor shall forward a claim for refund filed under section 1 of this chapter to the department of local government finance for review by the department if:

- (1) the claim is for the refund of taxes paid on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance; and
- (2) the claim is based upon the grounds specified in IC 6-1.1-26-1(4)(ii) or IC 6-1.1-26-1(4)(iii).

(b) The department of local government finance shall review each refund claim forwarded to it under this section. The department shall certify its approval or disapproval on the claim and shall return the claim to the county auditor.

(c) Before the department of local government finance disapproves a refund claim that is forwarded to it under this section, the department shall notify the claimant of its intention to disapprove the claim and of the time and place fixed for a hearing on the claim. The department shall hold the hearing within thirty (30) days after the date of the notice. The claimant has a right to be heard at the hearing. After the hearing, the department shall give the claimant notice of the department's final determination on the claim.

(d) If a person desires to initiate an appeal of the final determination of the department of local government finance to disapprove a claim under subsection (c), the person shall file a petition for review with the ~~Indiana board~~ **appropriate county assessor** not more than forty-five (45) days after the department gives the person notice of the final determination.

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(e) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under subsection (d), the person must petition for judicial review under IC 4-21.5-5 not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 17. IC 6-1.1-26-5, AS AMENDED BY P.L.198-2001, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 5. (a) When a claim for refund filed under section 1 of this chapter is allowed either by the county board of commissioners, the department of local government finance, the Indiana board, or the Indiana tax court on appeal, the claimant is entitled to a refund. The amount of the refund shall equal the amount of the claim so allowed plus, with respect to claims for refund filed after ~~June 30~~, **December 31**, 2001, interest at four percent (4%) from the date on which the taxes were paid or payable, whichever is later, to the date of the refund. The county auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this section.

(b) In the June or December settlement and apportionment of taxes, or both the June and December settlement and apportionment of taxes, immediately following a refund made under this section the county auditor shall deduct the amount refunded from the gross tax collections of the taxing units for which the refunded taxes were originally paid and shall pay the amount so deducted into the general fund of the county. However, the county auditor shall make the deductions and payments required by this subsection not later than the December settlement and apportionment.

SECTION 18. IC 6-1.1-28-1, AS AMENDED BY P.L.198-2001, SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. In addition to the county assessor, only one (1) other individual who is an officer or employee of a county or township may serve on the board of appeals in the county in which the individual is an officer or employee. The fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two assessor-appraiser. The board of commissioners of the county shall appoint two (2) freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least

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three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two assessor-appraiser. However, if the county assessor is a certified level ~~2~~ **Indiana two** assessor-appraiser, the board of county commissioners may waive the requirement in this subsection that one (1) of the freehold members appointed by the board of county commissioners must be a certified level ~~2~~ **Indiana two** assessor-appraiser. A person appointed to a property tax assessment board of appeals may serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a voting member of the property tax assessment board of appeals. The county assessor shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board **that includes at least one (1) certified level two assessor-appraiser** constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

(b) The county assessor, county fiscal body, and board of county commissioners may agree to waive the requirement in subsection (a) that not more than three (3) of the five (5) members of the county property tax assessment board of appeals may be of the same political party if it is necessary to waive the requirement due to the absence of certified level ~~2~~ **two** Indiana assessor-appraisers:

- (1) who are willing to serve on the board; and
- (2) whose political party membership status would satisfy the requirement in subsection (c)(1).

(c) If the board of county commissioners is not able to identify at least two (2) prospective freehold members of the county property tax assessment board of appeals who are:

- (1) residents of the county;
- (2) certified level ~~2~~ **two** Indiana assessor-appraisers; and
- (3) willing to serve on the county property tax assessment board of appeals;

it is not necessary that at least three (3) of the five (5) members of the county property tax assessment board of appeals be residents of the county.

SECTION 19. IC 6-1.1-30-1.1, AS ADDED BY P.L.198-2001, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) The department of local government



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finance is established.

(b) The governor shall appoint an individual with appropriate training and experience as commissioner of the department. The commissioner:

- (1) is the executive and chief administrative officer of the department;**
- (2) may delegate authority to appropriate department staff;**
- (3) serves at the pleasure of the governor; and**
- (4) is entitled to receive compensation in an amount set by the governor, subject to approval by the budget agency.**

SECTION 20. IC 6-1.1-35-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) All information ~~which~~ **that** is related to earnings, income, profits, losses, or expenditures and ~~which that~~ is: **either**

- (1) given by a person to:**
 - (A) an assessing official;**
 - (B) a member of a county property tax assessment board of appeals;**
 - (C) a county assessor; or one (1) of their employees**
 - (D) an employee of a person referred to in clauses (A) through (C); or**
 - (E) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12; or**
- (2) acquired by:**
 - (A) an assessing official;**
 - (B) a member of a county property tax assessment board of appeals;**
 - (C) a county assessor; or one (1) of their employees**
 - (D) an employee of a person referred to in clauses (A) through (C); or**
 - (E) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12;**

in the performance of his the person's duties;

is confidential. The assessed valuation of tangible property is a matter of public record and is thus not confidential. Confidential information may be disclosed only in a manner ~~which~~ **that** is authorized under subsection (b), (c), or (d).

(b) Confidential information may be disclosed to:

- (1) an official or employee of:**
 - (1) (A) this state or another state;**
 - (2) (B) the United States; or**
 - (3) (C) an agency or subdivision of this state, another state, or**



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the United States;

if the information is required in the performance of ~~his~~ **the** official duties **of the official or employee; or**

(2) an officer or employee of an entity that contracts with a board of county commissioners under IC 6-1.1-36-12 if the information is required in the performance of the official duties of the officer or employee.

(c) The following state agencies, or their authorized representatives, shall have access to the confidential farm property records and schedules ~~which that~~ are on file in the office of a county or township assessor:

(1) the Indiana state board of animal health, in order to perform its duties concerning the discovery and eradication of farm animal diseases;

(2) the department of agricultural statistics of Purdue University, in order to perform its duties concerning the compilation and dissemination of agricultural statistics; and

(3) any other state agency ~~which that~~ needs the information in order to perform its duties.

(d) Confidential information may be disclosed during the course of a judicial proceeding in which the regularity of an assessment is questioned.

(e) Confidential information ~~which that~~ is disclosed to a person under subsection (b) or (c) of this section retains its confidential status. Thus, that person may disclose the information only in a manner ~~which that~~ is authorized under subsection (b), (c), or (d). ~~of this section.~~

SECTION 21. IC 6-1.1-36-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. **(a)** ~~If~~ A board of county commissioners ~~enters may enter~~ into a contract for the discovery of property ~~which that~~ has been **undervalued or** omitted from assessment. **The contract may require the contractor to:**

(1) examine and verify the accuracy of personal property returns filed by taxpayers with a township assessor of a township in the county; and

(2) compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

(b) The investigation and collection expenses ~~shall~~ **of a contract under subsection (a) may** be deducted from the gross amount of taxes collected on the **undervalued or** omitted property ~~which that~~ is so discovered. The remainder of the taxes collected on the **undervalued or** omitted property shall be distributed to the appropriate taxing units.



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(c) A board of county commissioners may not contract for services under subsection (a) on a commission or percentage basis.

SECTION 22. IC 6-3.5-1.1-2, AS AMENDED BY P.L.135-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The county council of any county in which the county option income tax will not be in effect on July 1 of a year under an ordinance adopted during a previous calendar year may impose the county adjusted gross income tax on the adjusted gross income of county taxpayers of its county effective July 1 of that year.

(b) Except as provided in section 2.5, 2.7, **2.8, 2.9, or 3.5, or 3.6** of this chapter, the county adjusted gross income tax may be imposed at a rate of one-half of one percent (0.5%), three-fourths of one percent (0.75%), or one percent (1%) on the adjusted gross income of resident county taxpayers of the county. Any county imposing the county adjusted gross income tax must impose the tax on the nonresident county taxpayers at a rate of one-fourth of one percent (0.25%) on their adjusted gross income. If the county council elects to decrease the county adjusted gross income tax, the county council may decrease the county adjusted gross income tax rate in increments of one-tenth of one percent (0.1%).

(c) To impose the county adjusted gross income tax, the county council must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council imposes the county adjusted gross income tax on the county taxpayers of _____ County. The county adjusted gross income tax is imposed at a rate of _____ percent (____%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county. This tax takes effect July 1 of this year."

(d) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(e) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(f) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this

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chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 23. IC 6-3.5-1.1-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.8. (a) This section applies to a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).**

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

- (1) finance, construct, acquire, improve, renovate, or equip:**
 - (A) jail facilities;**
 - (B) juvenile court, detention, and probation facilities;**
 - (C) other criminal justice facilities; and**
 - (D) related buildings and parking facilities;**

located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and

- (2) repay bonds issued or leases entered into for the purposes described in subdivision (1).**

(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

- (1) fifteen-hundredths percent (0.15%);**
- (2) two-tenths percent (0.2%); or**
- (3) twenty-five hundredths percent (0.25%);**

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (c). The tax rate may not be imposed at a rate greater

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than is necessary to pay the costs of carrying out the purposes described in subsection (b)(1).

(e) The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the criminal justice facilities revenue fund before making a certified distribution under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may be used only for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for any or all the purposes described in subsection (b).

(g) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the completion of the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b);
- (2) the payment or provision for payment of all the costs for activities described in subdivision (1);
- (3) the redemption of bonds issued; and
- (4) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 24. IC 6-3.5-1.1-2.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.9. (a) This section applies to a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000).**

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

- (1) finance, construct, acquire, improve, renovate, remodel, or equip the county jail and related buildings and parking facilities, including costs related to the demolition of existing

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buildings, the acquisition of land, and any other reasonably related costs; and

(2) repay bonds issued or leases entered into for constructing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(c) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

- (1) fifteen-hundredths percent (0.15%);
- (2) two-tenths percent (0.2%); or
- (3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b) are completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-five (25) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate greater than is necessary to pay the costs of financing, acquiring, improving, renovating, remodeling, and equipping the county jail and related buildings and parking facilities, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(e) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may be used only for the purposes described in this



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section;

- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique governmental and economic development challenges due to:

- (1) underemployment in relation to similarly situated counties and the loss of a major manufacturing business;
- (2) an increase in property taxes for taxable years after December 31, 2000, for the construction of a new elementary school; and
- (3) overcrowding of the county jail, the costs associated with housing the county's inmates outside the county, and the potential unavailability of additional housing for inmates outside the county.

The use of county adjusted gross income tax revenues as provided in this chapter is necessary for the county to provide adequate jail capacity in the county and to maintain low property tax rates essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, remodeling, and equipping described in subsection (b), rather than the use of property taxes, promotes those purposes.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the redemption of bonds issued; or
- (2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 25. IC 6-3.5-1.1-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.6. (a) This section applies only to a county having a population of more than six thousand (6,000) but less than eight thousand (8,000).

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:



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- (1) finance, construct, acquire, improve, renovate, or equip the county courthouse; and
- (2) repay bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, and equipping the county courthouse.

(c) In addition to the rates permitted under section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers in the county council makes the finding and determination set forth in subsection (b). The tax imposed under this section may be imposed only until the later of the date on which the financing on, acquisition, improvement, renovation, and equipping described in subsection (b) is completed or the date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid. The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty-two (22) years.

(d) If the county council makes a determination under subsection (b), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping the county courthouse.

(e) The county treasurer shall establish a county jail revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before a certified distribution is made under section 11 of this chapter.

(f) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued or leases entered into for purposes described in subsection (b).

(g) A county described in subsection (a) possesses unique economic development challenges due to:

- (1) the county's heavy agricultural base;



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- (2) the presence of a large amount of state owned property in the county that is exempt from property taxation; and
- (3) recent obligations of the school corporation in the county that have already increased property taxes in the county and imposed additional property tax burdens on the county's agricultural base.

Maintaining low property tax rates is essential to economic development. The use of county adjusted gross income tax revenues as provided in this chapter to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b), rather than the use of property taxes, promotes that purpose.

(h) Notwithstanding any other law, funds accumulated from the county adjusted gross income tax imposed under this section after:

- (1) the redemption of the bonds issued; or
- (2) the final payment of lease rentals due under a lease entered into under this section;

shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 26. IC 6-3.5-1.1-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9.5. (a) **After January 1 and before April 1 of a year**, the county council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.

(b) To reduce the balance, a county council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance within ninety (90) days after the adoption of this ordinance."

(c) Not more than thirty (30) days after adopting an ordinance under subsection (b), the county council shall deliver a copy of the ordinance to the budget agency.

(d) Not later than:

- (1) sixty (60) days after a county council adopts an ordinance under subsection (b); and
- (2) December 31; ~~of each year~~;

the budget agency shall make the calculation described in subsection (e). Not later than ninety (90) days after the ordinance is adopted, the budget agency shall make an initial distribution to the county auditor of the amount determined under subsection (e) STEP FOUR.

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Subsequent distributions needed to distribute any amount in the county income tax special account that exceeds a three (3) month balance, as determined under STEP FOUR of subsection (e), shall be made in January of the ensuing calendar year after the calculation is made:

(e) The budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 8 of this chapter.

STEP TWO: Divide the amount estimated under section 9(b) of this chapter before any adjustments are made under section 9(c) or 9(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(f) For the purposes of this subsection and subsection (g), "civil taxing unit" includes a city or town that existed on January 1 of the year in which the distribution is made. The county auditor shall distribute an amount received under subsection (d) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount. However, the county auditor shall distribute an amount to a civil taxing unit that does not have a property tax levy in the year of the distribution based on an estimate certified by the state board of tax commissioners. The state board of tax commissioners shall compute and certify an amount for a civil taxing unit that does not have a property tax levy equal to the amount to be distributed multiplied by a fraction in which:

(1) the numerator of the fraction equals an estimate of the budget of that civil taxing unit for:

(A) that calendar year, if the civil taxing unit has adopted a resolution indicating that the civil taxing unit will not adopt a property tax in the ensuing calendar year; or

(B) the ensuing calendar year, if clause (A) does not apply; and

(2) the denominator of the fraction equals the aggregate attributed levies (as defined in IC 6-3.5-1.1-15) of all civil taxing units of that county for that calendar year plus the sum of the budgets estimated under subdivision (1) for each civil taxing unit that does not have a property tax levy in the year of the distribution.

(g) The civil taxing units may use the amounts received under subsection (f) for any item for which the particular civil taxing unit's certified shares may be used. The amount distributed shall not be included in the computation under IC 6-1.1-18.5-3.

SECTION 27. IC 6-3.5-1.1-10, AS AMENDED BY P.L.135-2001,



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SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) One-half (1/2) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (1/2) on November 1 of that calendar year.

(b) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) **revenue that must be used to pay the costs of:**

(A) **financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;**

(B) **debt service on bonds; or**

(C) **lease rentals;**

under section 2.8 of this chapter;

(3) revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, ~~or remodeling~~ of a jail **and related buildings and parking structures** under section 2.7 ~~or 2.9~~ of this chapter; ~~or~~

~~(3)~~ (4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~

(5) **revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;**

distributions made to a county treasurer under subsection (a) shall be treated as though they were property taxes that were due and payable during that same calendar year. The certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(c) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 28. IC 6-3.5-1.1-11, AS AMENDED BY P.L.135-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) **revenue that must be used to pay the costs of:**

(A) **financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;**

(B) **debt service on bonds; or**



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- (C) lease rentals;
 under section 2.8 of this chapter;
 (3) revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, **or remodeling** of a jail **and related buildings and parking structures** under section 2.7 **or 2.9** of this chapter; ~~or~~
 (3) (4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~
 (5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 2 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received. The percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 29. IC 6-3.5-1.1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21. Before ~~February 1~~ **July 2** of each year, the department shall submit a report to each county ~~treasurer~~ **auditor** indicating ~~the balance in the county's adjusted gross~~



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income tax account as of the end of the preceding year: the following:

- (1) The balance in the county's adjusted gross income tax account as of the end of the preceding year.
- (2) The required six (6) month balance, or three (3) month balance if the county has adopted an ordinance under section 9.5 of this chapter before the end of the preceding year.

SECTION 30. IC 6-3.5-1.1-21.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21.1. (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year in excess of the required six (6) or three (3) month balance, the department may make a supplemental distribution to a county from the county's adjusted gross income tax account.

(b) A supplemental distribution described in subsection (a) must be:

- (1) made in January of the ensuing calendar year; and
- (2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.

SECTION 31. IC 6-3.5-6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) This section applies to a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000).

(b) In addition to the actions authorized under section 2 of this chapter, a county income tax council may, using the procedures set forth in this chapter, adopt an ordinance to impose an additional county option income tax at a rate that may not exceed twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county income tax council makes the finding and determination required under subsection (c).

(c) In order to impose an additional county option income tax rate under this section, the county income tax council must adopt an ordinance finding and determining that revenues from the additional county option income tax are needed to pay the costs of financing, constructing, acquiring, renovating, equipping, and operating one (1) or more of the following facilities:

- (1) A community correction facility.
- (2) A juvenile treatment center.



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- (3) A records keeping facility.
- (4) A county building.
- (5) An animal shelter.
- (6) An emergency services facility.

The costs that may be paid from revenues collected under this section also include costs related to the land, appurtenances, and infrastructure associated with a facility described in this subsection and the costs of repaying bonds issued or leases entered into for the purchasing, financing, constructing, acquiring, renovating, equipping, and operating the facility.

(d) If the county income tax council makes a determination required under subsection (c), the county income tax council may adopt a tax rate under this section. The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs described in subsection (c).

(e) The county treasurer shall establish a county facilities revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section:

- (1) shall be deposited in the county facilities revenue fund before a certified distribution is made under section 17 of this chapter;
- (2) may not be used for the purposes described in section 17.4, 17.5, 17.6, 18, or 18.5 of this chapter; and
- (3) may not be considered by the department of local government finance in determining the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(f) Notwithstanding section 2 of this chapter, an ordinance may be adopted under this section at any time. If the ordinance is adopted before April 1 of a particular calendar year, a tax rate imposed under this section takes effect on July 1 of the calendar year. If the ordinance is adopted after March 31, a tax rate imposed under this section takes effect on January 1 of the ensuing calendar year.

(g) Notwithstanding any other law:

- (1) funds accumulated from the county option income tax rate imposed under this section and deposited in the county facilities revenue fund; or
- (2) any other revenues of the county;

may be deposited in a nonreverting fund of the county to be used for the operating costs of a facility described in subsection (c).



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Amounts in the county nonreverting fund may not be used by the department of local government finance to reduce the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

(h) A county described in subsection (a) possesses unique fiscal challenges to finance, construct, acquire, renovate, equip, and operate the facilities described in subsection (c) because the county:

- (1) includes a disproportionate percentage of property that is not subject to property taxation; and
- (2) is experiencing sustained growth requiring additional county services.

SECTION 32. IC 6-3.5-6-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) **Revenue** Except as provided in section 2.5 of this chapter, revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the state budget agency, estimates will be received from that county during the twelve (12) month period beginning July 1 of the immediately preceding calendar year and ending June 30 of the ensuing calendar year.

(b) Before June 16 of each calendar year, the department, after reviewing the recommendation of the state budget agency, shall estimate and certify to the county auditor of each adopting county the amount of county option income tax revenue that will be collected from that county during the twelve (12) month period beginning July 1 of that calendar year and ending June 30 of the immediately succeeding calendar year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified may be adjusted under subsection (c) or (d).

(c) The department may certify to an adopting county an amount that is greater than the estimated twelve (12) month revenue collection if the department, after reviewing the recommendation of the state budget agency, determines that there will be a greater amount of revenue available for distribution from the county's account established under section 16 of this chapter.

(d) The department may certify an amount less than the estimated twelve (12) month revenue collection if the department, after reviewing the recommendation of the state budget agency, determines that a part

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of those collections needs to be distributed during the current calendar year so that the county will receive its full certified distribution for the current calendar year.

(e) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(f) **Except as provided in section 2.5 of this chapter**, upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(g) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of ~~the~~ state ordering the appropriate payments.

SECTION 33. IC 6-3.5-6-17.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17. 2. Before July 2 of each year, the department shall submit a report to each county auditor indicating the following:**

- (1) The balance in the county's special account as of the end of the preceding year.
- (2) The required six (6) month balance or three (3) month balance, if the county has adopted an ordinance under:
 - (A) IC 6-3.5-6-17.4;
 - (B) IC 6-3.5-6-17.5; or
 - (C) IC 6-3.5-6-17.6;

before the end of the preceding year.

SECTION 34. IC 6-3.5-6-17.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17. 3. (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year in excess of the required six (6) or three (3) month balance, the department may make a supplemental distribution to a county from the county's special account.**

(b) A supplemental distribution described in subsection (a) must be:

- (1) made in January of the ensuing calendar year; and
- (2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.



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SECTION 35. IC 6-3.5-6-17.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.4. (a) This section applies only to a county having a population of more than thirty-six thousand seven hundred (36,700) but less than thirty-seven thousand (37,000).

(b) The county income tax council of a county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county.

(c) To reduce the balance a county income tax council must adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance within ninety (90) days after the adoption of this ordinance."

(d) Not more than thirty (30) days after adopting an ordinance under subsection (c), the county income tax council shall deliver a copy of the ordinance to the budget agency.

(e) Not later than:

(1) sixty (60) days after a county income tax council adopts an ordinance under subsection (c); and

(2) December 31; ~~of each year;~~

the budget agency shall make the calculation described in subsection (f). Not later than ninety (90) days after the ordinance is adopted, the budget agency shall make an initial distribution to the county auditor of the amount determined under subsection (f) STEP FOUR. Subsequent distributions needed to distribute any amount in the county income tax special account that exceeds a three (3) month balance, as determined under subsection (f) STEP FOUR, shall be made in January of the ensuing calendar year after the calculation is made.

(f) The budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(g) The county auditor shall distribute an amount received under subsection (e) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount.



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(h) The civil taxing units may use the amounts received under subsection (g) for any item for which the particular civil taxing unit's certified distribution may be used.

SECTION 36. IC 6-3.5-6-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.5. (a) This section does not apply to a county containing a consolidated city.

(b) The county income tax council of any county may adopt an ordinance to reduce the required six (6) month balance of that county's special account to a three (3) month balance for that county on January 1 of a year.

(c) To reduce the balance a county income tax council must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council elects to reduce the required county income tax special account balance from a six (6) month balance to a three (3) month balance."

(d) On or before December 31, ~~of each year~~, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(e) The amount determined in STEP FOUR of subsection (d) shall be distributed to the county auditor in January of the ensuing calendar year.

(f) The county auditor shall distribute the amount received under subsection (e) to the civil taxing units in the same manner as the certified distribution is distributed and not later than thirty (30) days after the county auditor receives the amount.

(g) The civil taxing units may use the amounts received under subsection (f) as follows:

(1) For the later of 1995 or the first calendar year in which the county adopts an ordinance under subsection (c) and:

(A) for each civil taxing unit that is a county, city, or town, for the purposes authorized under IC 36-9-14.5-2 or IC 36-9-15.5-2 (whichever applies and regardless of whether the civil taxing unit has established a cumulative capital development fund under IC 36-9-14.5 or IC 36-9-15.5); and

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(B) for each civil taxing unit that is a township or a special taxing district, for any item for which the civil taxing unit may issue a general obligation bond.

(2) For each year after the year to which subdivision (1) applies and for all civil taxing units, for any item for which the particular civil taxing unit's certified distribution may be used.

SECTION 37. IC 6-3.5-6-17.6, AS AMENDED BY P.L.283-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

(b) On or before July ~~15~~ **2** of each year, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter as of the end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, 2002, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after

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- 2002 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus
- (ii) the current uninsured parents program property tax levy imposed by the county; divided by
- (2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to:
- (A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus
- (B) after December 31, 2002, the greater of zero (0) or the difference between:
- (i) the county hospital care for the indigent property tax levy imposed by the county in 2002, adjusted each year after 2002 by the ~~state~~ **statewide** average assessed value growth quotient described in IC 12-16-14-3; minus
- (ii) the current uninsured parents program property tax levy imposed by the county.

SECTION 38. IC 6-3.5-6-26 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) A pledge of county option income tax revenues under this chapter is enforceable in accordance with IC 5-1-14.**

(b) With respect to obligations for which a pledge has been made under this chapter, the general assembly covenants with the county and the purchasers or owners of those obligations that this chapter will not be repealed or amended in any manner that will adversely affect the tax collected under this chapter as long as the principal of or interest on those obligations is unpaid.

SECTION 39. IC 6-3.5-7-5, AS AMENDED BY P.L.135-2001, SECTION 6, AS AMENDED BY P.L.185-2001, SECTION 3, AND AS AMENDED BY P.L.291-2001, SECTION 179, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:**

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or



- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), ~~and (g), ~~(j)~~~~ and (k), the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), ~~or (j), or (k), (l), (m), (n), or (o)~~, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(g) This subsection applies to ~~a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600); a county having a~~



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population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). In addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) ~~For a county having a population of more than thirty-seven thousand (37,000) but less than thirty-seven thousand eight hundred (37,800);~~ **a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) ~~For a county having a population of more than twelve thousand six hundred (12,600) but less than thirteen thousand (13,000);~~ **a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) ~~For a county having a population of more than sixty-eight thousand (68,000) but less than seventy-three thousand (73,000);~~ **a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400),** the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) ~~This subsection applies to a county having a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand three hundred (27,300). In addition to the rates permitted under subsection (b):~~

~~(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and~~



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(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(k) This subsection applies to a county having a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand three hundred (27,300); a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). In addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). In addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%);



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(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

SECTION 40. IC 6-3.5-7-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 10.5. Before July 2 of each year, the department shall submit a report to each county auditor indicating the following:**

(1) The balance in the county's special account as of the end of the preceding year.

(2) The required six (6) month balance as of the end of the preceding year.

SECTION 41. IC 6-3.5-7-17.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17.3. (a) If, after receiving a recommendation from the budget agency, the department determines that a sufficient balance existed at the end of the preceding year that exceeded the required six (6) month balance as of the end of the preceding year, the department may make a supplemental distribution to a county from the county's special account.**

(b) A supplemental distribution described in subsection (a) must be:

(1) made in January of the ensuing calendar year; and

(2) allocated and used in the same manner as certified distributions.

(c) A determination under this section must be made before July 2.

SECTION 42. IC 6-3.5-7-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 24. (a) This section applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600).**

(b) In addition to the rates permitted by section 5 of this



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chapter, the county council may impose the county economic development income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (c).

(c) In order to impose the county economic development income tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county economic development income tax are needed to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail including the repayment of bonds issued, or leases entered into, for constructing, acquiring, renovating, and equipping a county jail.

(d) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate or for a time greater than is necessary to pay the costs of financing, constructing, acquiring, renovating, and equipping a county jail.

(e) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 11 of this chapter.

(f) County economic development income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for the purposes described in this section;
- (2) may not be considered by the state board of tax commissioners in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

SECTION 43. IC 6-9-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. This chapter applies to ~~a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600); a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000).~~

SECTION 44. IC 6-9-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The county treasurer shall

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establish an innkeeper's tax fund. The treasurer shall deposit in that fund all money received under section 6 of this chapter.

(b) Money in the innkeeper's tax fund shall be expended in the following order:

(1) Through July 1999, not more than the revenue needed to service bonds issued under IC 36-10-3-40 through IC 36-10-3-45 and outstanding on January 1, 1993, may be used to service bonds. The county auditor shall make a semiannual distribution, at the same time property tax revenue is distributed, to a park and recreation district that has issued bonds payable from a county innkeeper's tax. Each semiannual distribution must be equal to one-half (1/2) of the annual principal and interest obligations on the bonds. Money received by a park and recreation district under this subdivision shall be deposited in a special fund to be used to service the bonds. During August 1999 the money that had been set aside to cover bond payments that remains after the bonds have been retired plus sixty percent (60%) of the tax revenue during August 1999 through December 1999 shall be distributed to the county treasurer to be used by the county park board, subject to appropriation by the county fiscal body.

(2) To the commission for its general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter. However, the amount that may be distributed under this subdivision during any particular year may not exceed the proceeds derived from an innkeeper's tax of two percent (2%) through December 1999 and fifty percent (50%) of the tax revenue beginning January 2000 and continuing through December ~~2004~~ **2014**.

(3) For the period beginning ~~January 2000~~ **July 1, 2002**, through December ~~2004~~ **2014**, fifty percent (50%) of the revenue to the county treasurer to be credited by the treasurer to a special account. **The county treasurer shall distribute money in the special account as follows:**

(A) Seventy-five percent (75%) of the money in the special account shall be distributed to the department of natural resources for the development of projects in ~~or near the state park on~~ the county's largest river, including its tributaries. (referred to as a qualified project): Upon the submission of a written claim by the department of natural resources requesting funds for a qualified project and to the extent there is money in the special account, the county council shall appropriate and the county auditor shall issue warrants to pay

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~~the claim.~~

(B) Twenty-five percent (25%) of the money in the special account shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

- (i) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000); and**
- (ii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);**

for the community development corporation's use in tourism, recreation, and economic development activities. For the period beginning July 1, 2002, and continuing through December 2006, the community development corporation shall provide not less than forty percent (40%) of the money received from the special account under this clause as a grant to a nonprofit corporation that leases land in the state park described in this subdivision for the nonprofit corporation's use in noncapital projects in the state park.

Money in the special account may not be used for any other purpose. The money credited to the account that has not been used for ~~qualified projects as specified in this subdivision~~ by January 1, ~~2005~~, **2015**, shall be transferred to the commission to be used to make grants as provided in subsection (c)(2).

(c) Money in the innkeeper's tax fund subject to appropriation by the county council shall be allocated and distributed after December 2004 2014 as follows:

- (1) Fifty percent (50%) of the revenue to the commission for the commission's general use in paying operating expenses and to carry out the purposes set forth in section 3(a)(6) of this chapter.**
- (2) The remainder to the commission to be used solely to make grants for the development of recreation and tourism projects. The commission shall establish and make public the criteria that will be used in analyzing and awarding grants. At least ten percent (10%) but not more than fifteen percent (15%) of the grants may be awarded for noncapital projects. Grants may be made only to the following entities upon application by the executive of the entity:**

- (A) The county for deposit in a special account.**
- (B) The most populated city in the county for deposit in a**

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special account.

(C) The second most populated city in the county for deposit in a special account.

(D) The Tippecanoe County Wabash River parkway commission, but only so long as the interlocal agreement among the political subdivisions listed in clauses (A) through (C) is in effect. Money received by the parkway commission shall be segregated in a special account.

(d) Money credited to special accounts under subsection (c)(2) shall be used only for recreation or tourism projects, or both."

Page 18, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 30. IC 33-3-5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The tax court shall establish a small claims docket for processing:

- (1) claims for refunds from the department of state revenue that do not exceed five thousand dollars (\$5,000) for any year; and
- (2) appeals of final determinations of assessed value made by the ~~state board of tax commissioners~~ **Indiana board of tax review** that do not exceed forty-five thousand dollars (\$45,000).

(b) The tax court shall adopt rules and procedures under which cases on the small claims docket are heard and decided.

SECTION 45. IC 33-3-5-14.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001 (RETROACTIVE)]: **Sec. 14.1. (a) The burden of demonstrating the invalidity of an action taken by the state board of tax commissioners is on the party to the judicial review proceeding asserting the invalidity.**

(b) The validity of an action taken by the state board of tax commissioners shall be determined in accordance with the standards of review provided in this section as applied to the agency action at the time it was taken.

(c) The tax court shall make findings of fact on each material issue on which the court's decision is based.

(d) The tax court shall grant relief under section 15 of this chapter only if the tax court determines that a person seeking judicial relief has been prejudiced by an action of the state board of tax commissioners that is:

- (1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;**
- (2) contrary to constitutional right, power, privilege, or immunity;**
- (3) in excess of or short of statutory jurisdiction, authority, or**



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limitations;

(4) without observance of procedure required by law; or

(5) unsupported by substantial or reliable evidence.

(e) Subsection (d) may not be construed to change the substantive precedential law embodied in judicial decisions that are final as of January 1, 2002.

SECTION 46. IC 33-3-5-14.2, AS ADDED BY P.L.198-2001, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.2. (a) The office of the attorney general shall represent a township assessor, **an executive (as defined in IC 36-1-2-5) of a township who performs the duties of a township assessor under IC 36-6-5-2, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals that:**

(1) made an original determination that is the subject of a judicial proceeding in the tax court; and

(2) is a defendant in a judicial proceeding in the tax court.

(b) Notwithstanding representation by the office of the attorney general, the duty of discovery is on the parties to the judicial proceeding.

(c) Discovery conducted under subsection (b) shall be limited to production of documents from the administrative law judge presiding over the review under IC 6-1.1-15-3. The administrative law judge shall not be summoned to testify before the tax court unless verified proof is offered to the tax court that the impartiality of the administrative law judge was compromised concerning the review.

(d) A township assessor, **an executive (as defined in IC 36-1-2-5) of a township who performs the duties of a township assessor under IC 36-6-5-2, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals:**

(1) may seek relief from the tax court to establish that the Indiana board of tax review rendered a decision that was:

(1) (A) an abuse of discretion;

(2) (B) arbitrary and capricious;

(3) (C) contrary to substantial or reliable evidence; or

(4) (D) contrary to law; and

(2) may not be represented by the office of the attorney general in an action initiated under subdivision (1).

SECTION 47. IC 34-6-2-38, AS AMENDED BY P.L.250-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 38. (a) "Employee" and "public employee",

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for purposes of section 91 of this chapter, IC 34-13-2, IC 34-13-3, IC 34-13-4, and IC 34-30-14, mean a person presently or formerly acting on behalf of a governmental entity, whether temporarily or permanently or with or without compensation, including members of boards, committees, commissions, authorities, and other instrumentalities of governmental entities, volunteer firefighters (as defined in IC 36-8-12-2), and elected public officials.

(b) The term also includes attorneys at law whether employed by the governmental entity as employees or independent contractors and physicians licensed under IC 25-22.5 and optometrists who provide medical or optical care to confined offenders (as defined in IC 11-8-1) within the course of their employment by or contractual relationship with the department of correction. However, the term does not include:

- (1) an independent contractor (other than an attorney at law, a physician, or an optometrist described in this section);
- (2) an agent or employee of an independent contractor;
- (3) a person appointed by the governor to an honorary advisory or honorary military position; or
- (4) a physician licensed under IC 25-22.5 with regard to a claim against the physician for an act or omission occurring or allegedly occurring in the physician's capacity as an employee of a hospital.

(c) A physician licensed under IC 25-22.5 who is an employee of a governmental entity (as defined in IC 34-6-2-49) shall be considered a public employee for purposes of IC 34-13-3-3(21).

(d) For purposes of IC 34-13-3 and IC 34-13-4, the term includes a person that engages in an act or omission before July 1, 2004, in the person's capacity as:

- (1) a contractor under IC 6-1.1-4-32;**
- (2) an employee acting within the scope of the employee's duties for a contractor under IC 6-1.1-4-32;**
- (3) a subcontractor of the contractor under IC 6-1.1-4-32 that is acting within the scope of the subcontractor's duties; or**
- (4) an employee of a subcontractor described in subdivision (3) that is acting within the scope of the employee's duties.**

SECTION 48. IC 36-2-5-3, AS AMENDED BY P.L.198-2001, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]: Sec. 3. (a) The county fiscal body shall fix the compensation of officers, deputies, and other employees whose compensation is payable from the county general fund, county highway fund, county health fund, county park and recreation fund, aviation fund, or any other fund from which the county auditor issues warrants for compensation. This includes the



power to:

- (1) fix the number of officers, deputies, and other employees;
- (2) describe and classify positions and services;
- (3) adopt schedules of compensation; and
- (4) hire or contract with persons to assist in the development of schedules of compensation.

(b) The county fiscal body shall ~~fix the annual compensation of~~ **provide for** a county assessor who has attained a level two certification under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ one thousand dollars (\$1,000), ~~more than which is in addition to and not part of the annual compensation of an the assessor. who has not attained a level two certification.~~ The county fiscal body shall ~~fix the annual compensation of~~ **provide for** a county or township deputy assessor who has attained a level two certification under IC 6-1.1-35.5 ~~at an amount that is to receive annually~~ five hundred dollars (\$500), ~~more than which is in addition to and not part of the annual compensation of a the county or township deputy assessor. who has not attained a level two certification.~~

(c) Notwithstanding subsection (a), the board of each local health department shall prescribe the duties of all its officers and employees, recommend the number of positions, describe and classify positions and services, adopt schedules of compensation, and hire and contract with persons to assist in the development of schedules of compensation.

(d) This section does not apply to community corrections programs (as defined in IC 11-12-1-1 and IC 35-38-2.6-2).

SECTION 49. IC 36-2-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The compensation of an elected county officer may not be changed in the year for which it is fixed. The compensation of other county officers, deputies, and employees or the number of each may be changed at any time on:

- (1) the application of the **county fiscal body or the** affected officer, department, commission or agency; and
- (2) a ~~two-thirds (2/3)~~ **majority** vote of the county fiscal body.

SECTION 50. IC 36-2-9-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. The county auditor shall:**

- (1) **maintain an electronic data file of the information contained on the tax duplicate for all:**
 - (A) **parcels; and**
 - (B) **personal property returns;**



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- for each township in the county as of each assessment date;
- (2) maintain the file in the form required by:
- (A) the legislative services agency; and
 - (B) the department of local government finance; and
- (3) transmit the data in the file with respect to the assessment date of each year before October 1 of the year to:
- (A) the legislative services agency; and
 - (B) the department of local government finance."

Page 18, between lines 10 and 11, begin a new paragraph and insert:
 "SECTION 14. IC 36-7-31.3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. **Except as provided in section 8(b) of this chapter**, this chapter applies only to a city or a county without a consolidated city that has a professional sports franchise playing the majority of its home games in a facility owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11.

SECTION 51. IC 36-7-31.3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. As used in this chapter, "covered taxes" means **the part of the following taxes attributable to the operation of a facility designated as part of a tax area under section 8 of this chapter**:

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
- (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
- (3) A county option income tax imposed under IC 6-3.5.
- (4) **Except in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000)**, a food and beverage tax imposed under IC 6-9.

SECTION 52. IC 36-7-31.3-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5.5. As used in this chapter, "designating body" means a:

- (1) city legislative body; or
- (2) county legislative body;

that may establish a tax area under this chapter.

SECTION 53. IC 36-7-31.3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) A ~~city or county~~ legislative **designating** body may ~~establish~~ **designate** as part of a professional sports and convention development area any facility that is:

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(1) owned by the city, the county, a school corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used by a professional sports franchise **for practice or competitive sporting events**; or

(2) owned by the city, the county, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used **as one (1) of the following**:

(A) **A facility used principally for convention or tourism related events serving national or regional markets.**

(B) **An airport.**

(C) **A museum.**

(D) **A zoo.**

(E) **A facility used for public attractions of national significance.**

(F) **A performing arts venue.**

(G) **A county courthouse registered on the National Register of Historic Places.**

A facility may not include a private golf course or related improvements. The tax area may include only facilities described in this section and any parcel of land on which ~~the~~ a facility is located. An area may contain noncontiguous tracts of land within the city, ~~or county, or school corporation.~~

(b) **Except for a tax area that is located in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a tax area must include at least one (1) facility described in subsection (a)(1).**

(c) **A tax area may contain other facilities not owned by the designating body if:**

(1) **the facility is owned by a city, the county, a school corporation, or a board established under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11; and**

(2) **an agreement exists between the designating body and the owner of the facility specifying the distribution and uses of the covered taxes to be allocated under this chapter.**

SECTION 54. IC 36-7-31.3-9, AS AMENDED BY P.L.174-2001, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) A tax area must be initially established by resolution:

(1) **except as provided in subdivision (2), before July 1, 1999; or**

(2) **in the case of a second class city, before July 1, ~~2002~~ 2003;** according to the procedures set forth for the establishment of an economic development area under IC 36-7-14. A tax area may be

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changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area. **Only one (1) tax area may be created in each county.**

(b) In establishing the tax area, the ~~city or county legislative~~ **designating** body must make the following findings instead of the findings required for the establishment of economic development areas:

(1) **Except for a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000),** there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used

~~(A) by a professional sports franchise for practice or~~

~~(B) for convention or tourism related events;~~ **competitive sporting events.**

A tax area to which this subdivision applies may also include a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.

(2) **For a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a) of this chapter.**

(3) The capital improvement that will be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

~~(3)~~ **(4)** The capital improvement that will be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(c) The tax area established under this chapter is a special taxing district authorized by the general assembly to enable the designating body to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 55. IC 36-7-31.3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the ~~city or county legislative~~ **designating** body shall submit the resolution to the budget committee for review and recommendation to the budget agency.

SECTION 56. IC 36-7-31.3-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. When the ~~city or~~



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county legislative designating body adopts an allocation provision, the county auditor shall notify the department by certified mail of the adoption of the provision and shall include with the notification a complete list of the following:

- (1) Employers in the tax area.
- (2) Street names and the range of street numbers of each street in the tax area.

The county auditor shall update the list before July 1 of each year.

SECTION 57. IC 36-7-31.3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. The department shall notify the county auditor of the amount of taxes to be distributed to the county treasurer. **For tax areas described in section 8(c) of this chapter, the department shall notify the county auditor of the amount of taxes to be distributed to each party to the agreement. The notice must specify the distribution and uses of covered taxes to be allocated under this chapter.**

SECTION 58. IC 36-7-31.3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. The resolution establishing the tax area must designate the use of the funds. The funds are to be used only for the following:

- (1) **Except in a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a capital improvement that will construct or equip a facility**
 - ~~(A) owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise or~~
 - (B) for practice or competitive sporting events. In a tax area to which this subdivision applies, funds may also be used for a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for convention and tourism related events; or any purpose specified in section 8(a)(2) of this chapter.**
- (2) **In a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a capital improvement that will construct or equip a facility owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a) of this chapter.**
- (3) The financing or refinancing of a capital improvement



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described in subdivision (1) **or (2)** or the payment of lease payments for a capital improvement described in subdivision (1) **or (2)**.

SECTION 59. IC 36-7-31.3-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 20. The ~~city or county~~ **legislative designating** body shall repay to the professional sports development area fund any amount that is distributed to the ~~city or county~~ **legislative designating** body and used for:

- (1) a purpose that is not described in this chapter; or
- (2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 10 of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter."

Page 19, between lines 28 and 29, begin a new paragraph and insert: "SECTION 39. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 6-1.1-4-13.6; IC 6-1.1-4-13.8; IC 6-1.1-33; IC 6-1.1-38.

SECTION 60. P.L.198-2001, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001 (RETROACTIVE)]: SECTION 117. (a) IC 6-1.1-15-3 and IC 6-1.1-15-4, both as amended by ~~this act~~, **P.L.198-2001**, apply to petitions for review filed under IC 6-1.1-15-3, as amended by ~~this act~~, **P.L.198-2001**, with respect to notices of action of the county property tax assessment board of appeals issued after December 31, 2001.

(b) IC 6-1.1-15-5 and IC 6-1.1-15-6, both as amended by ~~this act~~, **P.L.198-2001**, apply to petitions for judicial review of final determinations issued under IC 6-1.1-15-4, as amended by ~~this act~~, **P.L.198-2001**, after December 31, 2001.

(c) Petitions for review filed under IC 6-1.1-15-3 with respect to notices of action of the county property tax assessment board of appeals issued before January 1, 2002, that are pending before the state board of tax commissioners on December 31, 2001:

- (1) are transferred to the Indiana board of tax review; and
- (2) are subject to the law in effect before amendments under ~~this act~~, **P.L.198-2001**.

The state board of tax commissioners shall transfer to the Indiana board of tax review by January 1, 2002, the records relating to each petition for review referred to in this subsection.



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(d) **Except as provided in subsection (e), appeals initiated under IC 6-1.1-15-5 of final determinations of the state board of tax commissioners issued before January 1, 2002, are subject to the law in effect before amendments under this act: P.L.198-2001.**

(e) **Appeals initiated under IC 6-1.1-15-5 of final determinations of the state board of tax commissioners issued after June 30, 2001, and before January 1, 2002, are subject to IC 33-3-5-14.7, as added by P.L.198-2001.**

(f) IC 33-3-5-14, as amended by ~~this act~~, **P.L.198-2001**, and IC 33-3-5-14.2, IC 33-3-5-14.5, and IC 33-3-5-14.8, all as added by ~~this act~~, **P.L.198-2001**, apply to appeals initiated under IC 6-1.1-15-5, as amended by ~~this act~~, **P.L.198-2001**, of final determinations of the Indiana board of tax review issued after December 31, 2001.

(f) (g) The following, each as amended by ~~this act~~, **P.L.198-2001**, apply to refunds on refund claims filed after December 31, 2001:

IC 6-1.1-26-2

IC 6-1.1-26-3

IC 6-1.1-26-4

IC 6-1.1-26-5.

SECTION 61. [EFFECTIVE UPON PASSAGE] The appointment by the governor of the commissioner of the department of local government finance before the effective date of this act is legalized and validated as if the appointment had been made on or after the effective date of this act."

Page 20, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 34. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-2.8, as added by this act, may adopt an ordinance to increase the county's adjusted gross income tax rate after March 31, 2002, and before September 20, 2002.

(b) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under subsection (a) takes effect January 1, 2003.

(c) This SECTION expires January 2, 2003.

SECTION 62. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of state revenue.

(b) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-2.9, as added by this act, may adopt an ordinance to increase the county's county adjusted gross income tax rate after March 31, 2002, and before September 20, 2002.

(c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under

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this SECTION before June 1, 2002, takes effect July 1, 2002. In determining the certified distribution for the calendar year beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be performed before July 2, 2002, for a county adopting an ordinance within the time specified in this subsection, the department shall take into account the certified ordinance forwarded to the department under IC 6-3.5-1.1-3(c) in determining the amount of the county's certified distribution for the calendar year beginning January 1, 2003.

(d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under this SECTION after May 31, 2002, takes effect January 1, 2003. Not later than thirty (30) days after receiving the certified ordinance under IC 6-3.5-1.1-3(c) from a county adopting an ordinance within the time specified in this subsection, the department shall revise the county's certified distribution determined under IC 6-3.5-1.1-9 for the calendar year beginning January 1, 2003, to take into account the increased county adjusted gross income tax rate specified in the certified ordinance. Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first distribution reflecting the increased county adjusted gross income tax rate shall be made to the county treasurer beginning November 1, 2003.

(e) This SECTION expires January 1, 2004.

SECTION 63. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of state revenue.

(b) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-3.6, as added by this act, may adopt an ordinance to increase the county's county adjusted gross income tax rate after March 31, 2002, and before September 20, 2002.

(c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under this SECTION before June 1, 2002, takes effect July 1, 2002. In determining the certified distribution for the calendar year beginning January 1, 2003, as required under IC 6-3.5-1.1-9 to be performed before July 2, 2002, for a county adopting an ordinance within the time specified in this subsection, the department shall take into account the certified ordinance forwarded to the department under IC 6-3.5-1.1-3(c) in determining the amount of the county's certified distribution for the calendar year beginning January 1, 2003.

(d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under



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this SECTION after May 31, 2002, takes effect January 1, 2003. Not later than thirty (30) days after receiving the certified ordinance under IC 6-3.5-1.1-3(c) from a county adopting an ordinance within the time specified in this subsection, the department shall revise the county's certified distribution determined under IC 6-3.5-1.1-9 for the calendar year beginning January 1, 2003, to take into account the increased county adjusted gross income tax rate specified in the certified ordinance. Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first distribution reflecting the increased county adjusted gross income tax rate shall be made to the county treasurer beginning November 1, 2003.

(e) This SECTION expires January 1, 2004.

SECTION 64. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-10-21, as amended by this act, applies only to property taxes first due and payable after December 31, 2002.

(b) This SECTION expires January 1, 2004."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1196 as introduced, and as amended by the consent of the House Ways and Means Committee on January 29, 2002.)

BAUER, Chair

Committee Vote: yeas 19, nays 3.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1196 be amended to read as follows:

Page 62, between lines 25 and 26, begin a new paragraph and insert:
 "SECTION 54. IC 6-9-2.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1. This chapter applies to a county having a population of more than one hundred ~~sixty~~ **seventy** thousand ~~(160,000)~~ **(170,000)** but less than ~~two one~~ hundred **eighty** thousand ~~(200,000)~~ **(180,000)**.

SECTION 55. IC 6-9-2.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) The county council may levy tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any commercial hotel, motel, inn, tourist camp, or tourist cabin located in a county described in section 1 of this chapter. Such tax shall not exceed the rate of ~~five~~ **six** percent ~~(5%)~~ **(6%)** on the gross income derived from lodging income only and shall be in addition to the state gross retail tax imposed on such persons by IC 6-2.5.

(b) The county fiscal body may adopt an ordinance to require that the tax be reported on forms approved by the county treasurer and that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected pursuant to IC 6-2.5.

(c) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration shall be applicable to the imposition and administration of the tax imposed by this section except to the extent such provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. Specifically and not in limitation of the foregoing sentence, the terms "person" and "gross income" shall have the same meaning in this section as they have in IC 6-2.5. If the tax is paid to the department of state revenue, the returns to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule or regulation, determine.

(d) If the tax is paid to the department of state revenue, the amounts received from such tax shall be paid quarterly by the treasurer of state

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to the county treasurer upon warrants issued by the auditor of state.

(e) The tax imposed under subsection (a) does not apply to the renting or furnishing of rooms, lodgings, or accommodations to a person for a period of thirty (30) days or more.

SECTION 56. IC 6-9-2.5-7, AS AMENDED BY P.L.208-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) The county treasurer shall establish a convention and visitor promotion fund.

(b) The county treasurer shall deposit the following in the convention and visitor promotion fund:

(1) Before January 1, 2000:

(A) All of the money received under section 6 of this chapter, if the rate set under section 6 of this chapter is not greater than two percent (2%).

(B) The amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate, if the rate set under section 6 of this chapter is at least two percent (2%).

(2) After December 31, 1999, **and before January 1, 2003**, the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate.

(3) After December 31, 2002, the amount of money received under section 6 of this chapter that is generated by a two and one-half percent (2.5%) rate.

(c) Money in this fund shall be expended only as provided in this chapter.

(d) The commission may transfer money in the convention and visitor promotion fund to any Indiana nonprofit corporation for the purpose of promotion and encouragement in the county of conventions, trade shows, visitors, or special events. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 57. IC 6-9-2.5-7.5, AS AMENDED BY P.L.208-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.

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(2) After December 31, 1999, and before January 1, ~~2006~~, **2003**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.

(3) **After December 31, 2002, and before January 1, 2006, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one and one-half percent (1.5%) rate.**

(4) After December 31, 2005, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a three ~~and one-half percent (3%)~~ **(3.5%)** rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section."

Renumber all SECTIONS consecutively.

(Reference is to HB 1196 as printed January 31, 2002.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1196 be amended to read as follows:

Page 74, line 37, delete "A" and insert **"Except as provided in subsection (d), a"**.

Page 75, line 22, after "of" insert ":

(1)".

Page 75, line 23, delete "," and insert **"; or**

(2) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);".



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Page 75, line 23, beginning with "a" begin a new line blocked left.

Page 75, line 25, delete "A" and insert **"Except as provided in subsection (d), a"**.

Page 75, between lines 32 and 33, begin a new paragraph and insert:

"(d) In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), the designating body may designate only one (1) facility as part of a tax area. The facility designated as part of the tax area may not be a facility described in subsection (a)(1)."

Page 76, line 5, after "of" insert ":

(A)".

Page 76, line 7, delete "," and insert "; or

(B) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);"

Page 76, line 7, beginning with "there" begin a new line block indented.

Page 76, between lines 22 and 23, begin a new line block indented and insert:

"(3) For a tax area in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter."

Page 76, line 23, delete "(3)" and insert "(4)".

Page 76, line 26, delete "(4)" and insert "(5)".

Page 77, line 19, after "of" insert ":

(A)".

Page 77, line 21, delete "," and insert "; or

(B) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);"

Page 77, line 21, beginning with "a" begin a new line block indented.

Page 77, between lines 39 and 40, begin a new line block indented and insert:

"(3) In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a)(2) of this chapter."

Page 77, line 40, delete "(3)" and insert "(4)".

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Page 77, line 41, after "(1)" insert ",".

Page 77, line 41, delete "or (2)" and insert "**(2), or (3)**".

Page 77, line 42, after "(1)" insert ",".

Page 78, line 1, delete "or (2)" and insert "**(2), or (3)**".

(Reference is to HB 1196 as printed January 31, 2002.)

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